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SAN FRANCISCO
PORT COMMISSION

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REGULAR MEETING
4:00 P.M., TUESDAY, JANUARY 8, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - December 11, 2001 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - New Year's Eve Party
   - Fisherman's Wharf Marketing Campaign

   B. Election of Officers

4. **CONSENT**

   A. Approval of Amendment to Port Memorandum of Understanding No. MOU-12658, with the Mayor's Office of Economic Development for premises located at Pier 27. (Resolution No. 02-01) (Staff report provided to the Commission.)

   B. Approval of lease with Breda Transportation, Inc. at Transit Shed D, Pier 80 (at foot of Cesar Chavez Street). (Resolution No. 02-02) (Staff report provided to the Commission.)

5. **ENGINEERING & MAINTENANCE**

   A. Request for authorization to execute Fifth Amendment to Professional Services Agreement No. SA3960018, "Design of Pier 52 Public Boat Ramp and Public Access," with Arcus Architecture & Planning for additional design and construction management services. (Resolution No. 02-03) (Staff report provided to the Commission.)

6. **PLANNING & DEVELOPMENT**

   A. Informational Briefing on the Proposed Expansion of the Potrero Power Plant, 1201 Illinois Street, and Related Public Utilities Commission (PUC) proposals for the development of Energy Facilities on Port property in the Southern Waterfront (Staff report to be provided to the Commission).

7. **NEW BUSINESS/PUBLIC COMMENT**

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Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (Discussion and Action Items)

a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases):

- City and County of San Francisco v. Commonwealth Insurance Company, The Travelers Indemnity Company of Illinois, and Westchester Insurance Company; Santa Clara Superior Court Case No. CV 794046, filed October 22, 1999. (Discussion and Action Item) (Resolution No. 02-04)

Discussion and approval of settlement of litigation alleging breach of contract and denial of insurance coverage in bad faith, relating to fire damage and building code upgrades to Pier 48. Proposed settlement of litigation upon terms which include defendant-insurers' direct payment of $539,483 to the Port for damages, and payment of $8,000,000 into an escrow account for the design and construction for the seismic retrofit of Pier 48, Overra Construction shall perform at a guaranteed maximum cost of $7,293,378, excluding a contingency of $164,122, with any escrow balance reverting to the Port following completion of the construction; in exchange for the Port's dismissal of the litigation and release of all claims, and the defendants' mutual release of claims against each other relating to insurance coverage for the fire damage.

A copy of the proposed litigation settlement agreement is available for inspection with the Executive Secretary for the Port, pursuant to San Francisco Administrative Code Section 67.12(b)(3).

- F. Alioto Company, Inc. et al. v. City and County of San Francisco, et al., San Francisco Superior Court Case No. 318360, filed January 25, 2001. (Discussion and Action Item)

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(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 19/23
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Big C Traders: Claude Jacques

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 19/23.

b. Property: Pier 80, Pier 92, Pier 94
Person Negotiating: Port: Mark Lozovoy, Deputy Director of Real Estate
*RMC Pacific Materials: Joe Sostaric

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 80, 92 & 94.

c. Property: Pier 27 Administration Building
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Flying Dutchman Inc.: James Vierling

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27.

d. Property: Pier 27 Administration Building
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*You & Leisure Travel: Carlos Afre

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27.

e. Property: Pier 80 Inn
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 80 Inn: Derf Butler

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 80.

f. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at the Bryant Street Pier.

g. Property: Broadway/Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality: Lawrence Lui

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Broadway and the Embarcadero.

h. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

i. Property: The Ferry Building
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Ferry Building Investors, LLC: Terry Reagan

Under Negotiation: ___ Price ___Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at The Ferry Building.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

Vote on whether to approve proposed settlement of litigation entitled City and County of San Francisco v. Commonwealth Insurance Company, The Travelers Indemnity Company of Illinois, and Westchester Insurance Company; Santa Clara Superior Court Case No. CV 794046. (Also listed above, Closed Session, Item No. B(1)a). (Resolution No. 02-04.)

10. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

JANUARY 2002
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
January 8	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
January 22	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every second Wednesday of the month from 11:30 a.m. to 1:30 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

January 8, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Amendment to Port Memorandum of Understanding No. MOU-12658, with the Mayor's Office of Economic Development for Premises Located at Pier 27

DIRECTOR'S RECOMMENDATION: ADOPT RESOLUTION

BACKGROUND

On September 18, 1998, the Port entered into a Memorandum of Understanding, No. MOU-12658 ("MOU"), with the Mayor's Office of Economic Development ("MOED") for the purpose of providing storage space for the ESPN Extreme Games ("X Games"). The MOU affecting approximately 50,000 square feet of shed space at Pier 27 commenced on September 21, 1998 and terminated November 17, 2000. The use fee was $22,500.00 per month, at a rental rate of $.45 per square foot. The total use fee due the Port per the MOU is $582,750.00.

During the summers of 1999 and 2000 the X-Games were held at various venues in and around San Francisco including the main event site located at Pier 30/32. Under a separate License agreement with the San Francisco Extreme Games Host Committee ("Host Committee"), the Port collected $287,570.89, of which $155,383.81 was applied to the Pier 30/32 License for the main event venue. The remaining $132,187.08 was applied to the MOU with MOED for the use of Pier 27.

This Print Covers Calendar Item No. 4A

PUBLIC TRUST

The Port Commission, as the trustee for the public trust, makes the determination as to whether a given lease or land use is consistent with the trust. One of the principal objectives of the Port's public trust mission is to attract the general public to the waterfront for public recreation and assembly. During the two summers that the X-Games were held in San Francisco, large crowds were attracted to the waterfront to witness the events, and visit shops, restaurants and other points of interest along the bay. Additionally, the Port was repeatedly showcased on local and national television.

RESOLUTION

By adopting this resolution, the Port Commission as part of its overall public trust mission of attracting the public to the waterfront, would assume partial financial responsibility as a sponsor of the X-Games events. The Port would participate as a sponsor by providing a reduced rental rate for the use of Pier 27 for storage. The proposed amendment to the MOU with MOED would reduce the total rental amount due the Port for the use of Pier 27 from $582,750.00 ($.45 per sq.ft. per month) to $132,187.08 ($.10 sq.ft. per month).

Prepared by: Mark W. Lozovoy
Assistant Deputy Director, Real Estate

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-01

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, the Port Commission, as the trustee for the public trust, makes the determination as to whether a given lease or land use is consistent with the trust; and

WHEREAS, one of the principal objectives of the Port's public trust mission is to attract the general public to the waterfront for public recreation and assembly; and

WHEREAS, the Port entered in a Memorandum of Understanding, No. MOU-12658, ("MOU") with the Mayor's Office of Economic Development ("MOED") for the purpose of providing storage space at Pier 27 in support of the ESPN Extreme Games ("X-Games"); and

WHEREAS, during the two summers (1999 and 2000) that the X-Games were held in San Francisco, large crowds were attracted to the waterfront and the Port was repeatedly showcased on local and national television; and

WHEREAS, the Port Commission has determined that as part of the Port's overall public trust mission of attracting the public to the waterfront for public recreation and assembly, the Port shall participate as a financial sponsor of the 1999/2000 X-Games in the form of a reduced rental rate for storage space at Pier 27; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves the Amendment to Memorandum of Understanding No. MOU-12658 upon terms set forth in this Memorandum of Agenda Item 4A for the January 8, 2002 Port Commission Meeting, and the Port Commission authorizes the Executive Director, or his designee, in consultation with the City Attorney, to implement the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 8, 2002.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

January 2, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas Wong
Executive Director

SUBJECT: Approval of lease with Breda Transportation, Inc. at Transit Shed D, Pier 80 (at foot of Cesar Chavez Street).

DIRECTOR'S RECOMMENDATION: APPROVE NEW LEASE WITH BREDA TRANSPORTATION, INC.

BACKGROUND

Breda Transportation, Inc. (Breda) is a U. S. subsidiary of Breda Costruzione Ferroviare, S.A., the manufacturers of the San Francisco Municipal Railroad's (MUNI) new light rail vehicle (LRV). Breda currently manufactures LRV cars in the entirety of Transit Shed D at Pier 80 (approximately 170,000 square feet) pursuant to a lease approved by the Port Commission on July 9, 1996 (Resolution No. 96-66). Because of continuing orders from MUNI, Breda seeks a new lease of their San Francisco LRV assembly facility. Breda proposes to terminate its existing lease with the Port (Lease No. L-12295) and enter into a new lease for Transit Shed D. This interim use of Transit Shed D will continue the generation of additional revenue for the Port of San Francisco without impacting the existing use of the Pier 80 facility for container cargo handling or other maritime purposes.

THIS PRINT COVERS CALENDAR ITEM NO. **4B**

PROPOSED LEASE

A new lease (Port Lease No. L-13220) has been negotiated by Port staff and Breda on the following terms and conditions:

1. Premises:
   169,620 square feet of shed space (the entirety Shed D)
   4,850 square feet of loading dock space
   1,700 square feet of office space

2. Term:
   Sixteen months commencing March 1, 2002 with an 18 month option.

3. Rent:
   a. For the period from the Commencement Date through 12/31/02: $67,125.00 per month ($0.38 per square foot for shed space, $0.20 per square foot for loading dock space, $1.00 per square foot for office space).

   b. For the period 01/01/03 through 06/30/03: $72,215.00 per month ($0.41 per square foot for shed space, $0.20 per square foot for loading dock space, $1.00 per square foot for office space).

   c. For the first six months of the option period from 07/01/03 through 12/31/03: $79,000.00 per month ($0.45 per square foot for shed space, $0.20 per square foot for loading dock space, $1.00 per square foot for office space).

   d. For the final twelve months of the option period from 01/01/04 through 12/31/04: $89,175.00 per month ($0.51 per square foot for shed space, $0.20 per square foot for loading dock space, $1.00 per square foot for office space).

   e. Current monthly rent is $46,520.00 (representing a blended rate of $0.27 per square foot per month).

   Total rent for the lease term, inclusive of the option period, is $2,648,640.00 equating to average rental rates of $0.44 per square foot for shed space, $0.20 per square foot for loading dock space and $1.00 per square foot for office space. Per Resolution 00-35, approved by the Port Commission May 9, 2000, the minimum rental rate for open shed space in the Southern Waterfront is $0.45 per square foot. Because the shed rental rate is below the Commission approved parameter, the new lease requires Commission approval. Also, because the total lease term rent exceeds $1,000,000.00, staff will also need approval from the Board of Supervisors. This approval will be sought immediately upon Commission approval of the lease terms.

   Port staff believes the proposed rental rates, while slightly below approved leasing parameters, are warranted given Breda's past tenant improvemcnts of approximatcly

$1,600,000.00 and Breda's contractual commitment to build light rail vehicles for the San Francisco Municipal Railway.

4. Termination rights:

   a. Port's Right to Terminate: The Port may terminate the lease at any time upon 9 months prior notice in order to facilitate a Port program or project.
   b. Tenant's Right to Terminate: Subsequent to August 31, 2002, Breda may terminate the lease upon 6 months prior written notice.

Summary:

The nature of the existing use, the continued availability of assembly jobs, the proposed rental structure, and the flexibility of terminating the lease for a Port project, represent significant benefits to the Port, and the City and County of San Francisco. Due to the location of Shed D, this lease will not interfere with the continued use of Pier 80 as a container cargo terminal.

Prepared by: Phil Williamson, Senior Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-02

WHEREAS, The City Charter empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, Under the City Charter, leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Breda Transportation, Inc. has proposed terms for a new lease at Transit Shed D, at Pier 80; and

WHEREAS, Staff has negotiated all the terms and conditions of a proposed lease with Breda Transportation, Inc. on the terms and conditions outlined in the Memorandum to the Port Commission for Agenda Item 4B for the Port Commission meeting of January 8, 2002; now therefore, be it

RESOLVED, that the San Francisco Port Commission hereby approves entering into Lease No. L-13220 between the Port and Breda Transportation, Inc. on the terms and conditions outlined in the Memorandum to the Port Commission for Agenda Item 4B for their January 8, 2002 meeting, and authorizes the Executive Director of the Port, or his designee, to execute the same on behalf of the Port, in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 8, 2002.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

January 4, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for authorization to execute Fifth Amendment to Professional Services Agreement No. SA3960018, "Design of Pier 52 Public Boat Ramp and Public Access", with Arcus Architecture & Planning for additional design and construction management services

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO EXECUTE A FIFTH AMENDMENT TO AGREEMENT NO. SA3960018 WITH ARCUS ARCHITECTURE & PLANNING FOR A NOT-TO-EXCEED SUM OF $79,333

Introduction

Port staff requests that the Commission approve a fifth amendment to the existing professional services contract with Arcus Architecture and Planning ("Consultant"), the design consultant for the Pier 52 Public Boat Ramp and Public Access project. This contract amendment is necessary to include additional design items (redesign float elements to be removable, adding infrared audible signs, and adding boat washing facility) into the services contract. Through this contract amendment, Port staff will obtain necessary and critical design services to complete the construction documents and obtain construction management assistance for the Pier 52 Public Boat Ramp and Public Access project.

Background

On May 22, 2001, the Port Commission approved the Fourth Amendment to the Consultant's contract for $209,593, to provide design services to revise the project's parking lot, electrical components, and to coordinate the public access with Catellus' work.

On August 31, 2001, the Consultant completed 50% of the project design. The Port's inter-department review recently indicated that the railroad trestle between Piers 52 and 54 is in poor condition and could no longer serve as a useful breakwater. Without additional design changes,

This Print Covers Calendar Item No. 5A

float elements of the project will experience dangerous and destructive wave action. Engineering staff has worked with the boating communities and California Boating and Waterway Commission, and developed a solution to remove and store the float elements during winter seasons. Staff's inter-department review also indicated that an infrared audible signs system and a boat washing system were required for the project.

As noted below, these changes and additions to the project scope have created the need for additional services from the Consultant. Staff has negotiated a not-to-exceed price of $79,333 with the Consultant to complete the additional tasks contemplated by this Fifth Amendment to the contract. The local boating communities are eager to see the construction project completed.

Scope of Services included in the Fifth Amendment

The proposed fifth amendment includes the following scope of services:

- Redesign the boarding, intermediate and landing floats to be removable.
- Design a boat wash facility.
- Design an infrared audible signs system.
- Revise parking lot grade per updated Terry Francois Boulevard grade condition.

Summary

The tasks listed above are needed to construct the Pier 52 Public Boat Launch and Public Access project. This requires a fifth amendment to the Consultant's contract to revise the existing project design and to extend the completion date. Port staff recommends that the Commission authorize the proposed fifth amendment to the existing contract to increase the amount of compensation in the current design services contract from $574,144 to $653,477. This will increase the Consultant's contract by an additional $79,333, and will be funded by Port funds. In addition, the completion date for the Consultant's services will be extended to April 30, 2003. This will enable the Port to efficiently complete the Pier 52 Public Boat Launch and Public Access project. This fifth amendment is subject to approval by the Civil Service Commission, and the Human Rights Commission.

Prepared by: Ken Chu, Project Engineer, for
Nita Mizushima, Chief Harbor Engineer

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-03

WHEREAS, on May 22, 2001, the Port Commission approved the Fourth Amendment for $209,593 with Arcus Architecture and Planning ("Consultant") to provide for additional design services to revise the project's parking lot, electrical components, and to coordinate the public access with Catellus' work; and

WHEREAS, on August 31, 2001, the Consultant completed 50% of the project design; and

WHEREAS, the Port's inter-department review recently indicated that the railroad trestle between Piers 52 and 54 is in poor condition and could no longer serve as a useful breakwater; and

WHEREAS, without additional design changes, float elements of the project will experience dangerous and destructive wave action; and

WHEREAS, the Port's engineering staff has worked with the boating communities and California Boating and Waterway Commission, and developed a solution to remove and store the float elements during winter seasons; and

WHEREAS, staff's inter-department review also indicated that an infrared audible signs system and a boat washing system are required for the project; and

WHEREAS, the local boating communities are eager to see the construction project completed; and

WHEREAS, the circumstances discussed herein and need for design changes have created the need for additional services from the Consultant; and

WHEREAS, staff has negotiated a not-to-exceed price of $79,333 with the Consultant to complete the additional services described in the staff memorandum accompanying this resolution; now therefore be it,

RESOLVED, that the Port Commission hereby authorizes Port staff to execute the proposed fifth amendment to Contract No. SA 3960018, to increase the amount of compensation from $574,144 to the not-to-exceed sum of $653,477, and to extend the contract completion date to April 30, 2003.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of January 8, 2002.

_____

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

January 2, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Port Commission Informational Briefing on the Proposed Expansion of the Potrero Power Plant and Related Public Utilities Commission (PUC) proposals for the development of Energy Facilities on Port property in the Southern Waterfront.

ACTION: No action required; receive public comments.

Summary
This memorandum provides a briefing of an informational presentation scheduled for the January 8, 2002 Port Commission meeting regarding the proposed expansion of the Potrero Power Plant, and related proposals by the San Francisco Public Utilities Commission for additional energy facilities affecting Port property in the Southern Waterfront. In addition to Port staff, at the January 8th meeting the Port Commission will receive presentations from the following parties regarding the specific projects proposed, the applicable regulatory reviews required or underway; and a description of Port Commission actions they will require or influence:

- City Attorney's Office – Description of California Energy Commission (CEC) process, and the City's role as it relates to review of Mirant's proposal to expand the Potrero Power Plant

THIS PRINT COVERS CALENDAR ITEM NO. **6A**

- Mirant Corporation – Description of the proposed Potrero Power Plant expansion project and the property use agreements that they are seeking from the Port.

- Board of Supervisors' Potrero Power Plant Advisory Task Force - Description of the Task Force role in the CEC process, as well as to inform the Board on Ordinance 124-01, the "Maxwell Ordinance."

- Public Utilities Commission (PUC) – Description of PUC proposals to develop a power substation and a transmission line on or near Port property, which would meet Mirant needs to connect with the State's power grid as well as provide power generation and distribution capacity controlled by the City; description of efforts currently underway to develop a City Energy Resources Plan to comprehensively address the City's energy needs.

A brief description of the facilities is provided below, which will be discussed in further detail at the Port Commission informational presentation. In addition, this memorandum describes the Port's staff work to solicit and assemble information regarding the power plant expansion necessary to produce timely comments to the City and CEC.

Potrero Power Plant Expansion - Description

Mirant Americas Development, Inc. the owner and operator of the Potrero Power Plant, formerly owned by PG&E, has submitted an application to the CEC to expand the facility. Mirant's proposal would result in the construction of a new 540 megawatt (MW) electrical power plant, identified as Unit No. 7, on 6.5 acres of the existing 20-acre Potrero Power Plant site at 1201 Illinois Street. Unit No. 7 would increase the electrical power generation capacity at the site from approximately 360 MW to a total of approximately 900 MW.

The application, as filed with the CEC, proposes the use of a once-through wet cooling system that would draw water from the Bay to cool plant operations, and return the discharge water to the Bay. The construction of the intake and discharge structures would result in the creation of approximately 3.42 acres of Bay fill, thus requires action by the Bay Conservation and Development Commission (BCDC). In anticipation of the need to meet BCDC public access and fill mitigation conditions, Mirant has requested Port consideration of property use agreements to satisfy those requirements.

To operate the plant, construction of a subterranean transmission line is required to connect the new facility to the electrical substation adjacent to the existing Hunters Point Power Plant, which is part of the state electrical transmission system or "grid." Mirant has indicated that the transmission line could be located within the general north-south alignment of Illinois Street, portions of which are owned by the Port, and which therefore would require Port Commission approval if this routing were pursued. Since submittal of Mirant's application with the CEC, staff of the PUC have engaged in discussions to

explore the option of PUC construction and operation of the transmission line instead of Mirant.

In addition, the PUC also is considering the construction of an electrical substation on Port property to provide power for the 3rd Street light rail improvements, the Southeast Wastewater Treatment Plant, new electrical loads generated by uses locating on Port property, and possibly additional power distribution capacity to serve other City needs. Regardless of whether or not Mirant expands the Potrero Power Plant a new transmission line must be constructed between the Potrero Power Plant and the electrical grid at the Hunters Point Power Plant, by either the PUC or PG&E to assure the stability of the City's electrical system.

PUC is also contemplating the use of Port property for the siting of new peaking power plants that would be needed to allow the scheduled closure of the Hunters Point Power Plant in the event that the CEC does not certify the proposed Potrero Power Plant expansion, or Mirant decides not to build the plant.

The three construction projects being considered by the PUC, the substation, the transmission line connecting Potrero to the electrical grid at the Hunters Point Power Plant, as well as the peaking power plants are independent proposals.

California Energy Commission and City Review Process

The CEC has the exclusive authority to certify power plants in lieu of any other local or state permits, licenses, or certifications. The CEC process began on May 31, 2000 with Mirant's filing of the Application for Certification (AFC). On May 31, 2001 the CEC issued a Preliminary Staff Assessment (PSA) that included an environmental, public health and safety, and engineering evaluation of the proposal. On July 2, 2001 the City, a registered intervenor to the CEC review process, prepared and submitted a set of comments on the adequacy of the AFC. The City's comments specifically included a May 2001 memorandum from the Port (described further below) containing a list of potential mitigation measure/community benefits, the comments of the Board of Supervisors Potrero Power Plant Citizens Advisory Task Force, as well as Ordinance No. 124-01 the "Maxwell Ordinance" adopted on May 23, 2001 (Attachment A – Ordinance No. 124-01 "Maxwell Ordinance"). The CEC has been considering the extensive comments it received on the AFC and is expected to issue a Final Staff Assessment (FSA) in late January 2002. The issuance of the FSA would be followed by CEC hearings on the FSA and approximately three months later their decision to approve or deny the AFC.

Port Staff Review Efforts

The Port has been coordinating with the City to review and comment on the CEC environmental documents. As part of that effort, staff has shared this information with and solicited comments from the Port's Pier 70 and Southern Waterfront Advisory

Committees. As a result of that review and comment process, Port staff produced a memorandum, dated May 21, 2001, that identified possible mitigation measures and community benefits for consideration by the Mirant, the CEC, the numerous City agencies that may participate in the CEC review process. These measures also may be considered as conditions of any future Port Commission actions on the Mirant facility, if use of Port property or real estate agreements are required. Port staff provided informational reports to the Port Commission on May 22nd, August 14th, and October 23rd 2000 to apprise the Commission of the status of the project Application for Certification (AFC) in the CEC review process, associated property agreements, and the May 2001 memorandum containing possible mitigation measures/community benefits. The May 2001 memorandum, was included in the City's comments on the Mirant proposal, transmitted to the CEC by the City Attorney's office on July 2, 2001 (Attachment B – May 21, 2001 Memorandum).

The Mirant proposal is subject to BCDC's jurisdiction. If Mirant pursues the preferred plant cooling system, as proposed, BCDC approval for Bay fill and public access will be required. Consequently, Mirant has engaged in discussions with BCDC, whereupon a preferred public access plan was developed by Mirant. The preferred public access plan is to provide landscaping improvements along 23rd Street, between Illinois Street and the Bay, and creation of a shoreline public access area at the Bay end of 23rd Street. Some of this area improved for public access is under Port jurisdiction, therefore requiring Port Commission approval of a land agreement. On July 19th, August 2nd and October 4, 2001 BCDC held public hearings to solicit comments and produce timely recommendations to the CEC on the Mirant power plant proposal.

There is question by Port staff and community as to whether the public access proposed by Mirant and BCDC is the most desirable and appropriate. The proposed improvements were not identified as possible public access improvements in the May 2001 memorandum, which identified a number of other public access priorities in the Southern Waterfront. In addition, Port staff questioned the appropriateness of the fill mitigation negotiated between Mirant and BCDC. Consequently, on October 2, 2001 Byron Rhett, Port Director of Planning and Planning transmitted a letter to BCDC conveying Port staff comments, including those pertaining to concerns regarding the public access and fill mitigation proposals (Attachment C – October 2, 2001 Port Letter to BCDC).

In response to the Port's public access comments, BCDC has scheduled two public workshops to solicit public comments on public access improvements, the first of which will be held on Thursday, January 10, 2002, 6:00 to 8:00 p.m. at the Potrero Neighborhood House at 950 DeHaro Street in San Francisco. To address the Port's comments regarding fill mitigation, BCDC has and will continue discussions with Port staff.

Discussions between the Port and Mirant have been limited to an address of the Port staff resources that would be required to negotiate any property agreements and associated CEQA documents within Mirant's desired timeframe. Port legal counsel has drafted an

agreement that, if executed, would provide the mechanism to reimburse the Port for the staff time to complete the work for Port Commission consideration. The draft agreement would commit the Port to provide sufficient staff resources and to negotiate in good faith the agreements requested by Mirant, but allows the Port to pose terms and conditions and/or to terminate the agreement at its option.

With regard to proposals by the PUC for a power substation and transmission line, Port staff has had preliminary discussions. To date, the PUC is contemplating a number of public infrastructure projects for the City in addition to the substation and transmission line, some of which have been discussed for location potentially on Port property. Prior to any further discussions regarding the substation and transmission line, Port staff has requested more information from PUC to better understand whether other PUC projects are indeed contemplated for Port property, and how they would be coordinated with each other. Ed Smeloff, Assistant General Manager for Power Policy, PUC, will provide a status report on this matter in the January 8th Commission presentation.

Informational Briefing

In light of the number and complexity of projects and issues which have emerged related to the proposed Potrero Power Plant expansion, Port staff has arranged for presentations by Mirant and the City agencies described above. Public notice of the Commission presentation will be sent to numerous parties including but not limited to all registered intervenors, and City agencies that participating in the CEC review process; BCDC; Potrero Power Plant Citizens Task Force; the Department of the Environment; and the Pier 70 Advisory Group and the SWAC.

Submitted by: Diane Oshima and Mark Paez,
Planning and Development

Attachments:

A. Ordinance No. 124-01 "Maxwell Ordinance"
B. May 21, 2001 List of Potential Mitigation Measures/Community Benefits
C. October 2, 2001 Port Letter to BCDC

As amended in Board
5/21/01

ATTACHMENT A

FILE NO. 010887 ORDINANCE NO. 124-01

File Copy
Do Not Remove

[Human Health and Environment Protections for New Electric Generation]

Ordinance adopting minimum requirements for the protection of human health and the environment for any proposal for new electric generation at the Potrero Power Plant in Southeast San Francisco; and requiring all City officials and departments to advocate these requirements, and greater protections, in regulatory proceedings and negotiations regarding the proposal to build a new power plant at the site of the existing Potrero Power Plant; and requiring approval of the Board of Supervisors for any agreement by City officials or departments for new electric generation in Southeast San Francisco.

Note: Additions are *single-underline italics Times New Roman*;
deletions are ~~*strikethrough italics Times New Roman*~~.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors hereby finds and declares as follows:

(A) The Energy Resources Conservation and Development Commission (California Energy Commission) has recognized Southeast San Francisco as a minority community entitled to environmental justice;

(B) All of the major electrical generating units in San Francisco are located in Southeast San Francisco which includes the Bayview, Hunters Point, Potrero Hill and Dogpatch neighborhoods;

(C) Southeast San Francisco has a disproportionate number of industrial and polluting facilities;

(D) Southeast San Francisco has an extraordinarily high rate of childhood asthma and other serious respiratory diseases;

(E) Fossil fuel generation is associated with pollutants that damage public health;

(F) Oil fueled generation, such as that produced by the Potrero Power Plant Units 4, 5, and 6 known as "Peakers", is potentially more harmful than natural gas fueled generation;

(G) Alternative fuel sources are more protective of the environment and human health than fossil fuel generation;

(H) The City signed an agreement with PG&E calling for the permanent shutdown of the Hunters Point power plant, as determined by the appropriate state and federal regulatory authorities, as soon as the facility is no longer needed to sustain electrical reliability;

(I) The California Independent System Operator has identified transmission upgrades that would assist with providing reliable electricity to San Francisco;

(J) The City has agreed with PG&E to advocate the expeditious development of capacity (generation and/or transmission) which minimizes adverse community and environmental impacts to replace the Hunters Point power plant;

Section 2. Policy. The City and County of San Francisco shall oppose any application for a proposed siting, expansion or development of fossil fuel power generation at Potrero HIll Power Plant in Southeast San Francisco and deny any governmental approval that will facilitate such generation and withhold its approval of any lease, license, permit, easement or other agreement for such facility unless the applicant can demonstrate the following as minimum conditions:

(A) The proposal and the terms and conditions of the approval will reduce potential and actual emissions of criteria, toxic, and hazardous air pollutants from levels that would occur in Southeast San Francisco from whatever source without the construction and operation of the proposed fossil fuel electric generation project at Potrero Hill Power Plant. For purposes of

this section, such levels include emissions from all actual and potential sources that impact Southeast San Francisco, except that the emissions from the Hunters Point power plant shall be deemed to be zero, and the emissions from Potrero Units 4, 5, and 6 shall be calculated on the basis of actual historic annual emissions for each unit;

(B) The proposal will result in a binding, enforceable agreement, to which the City and County of San Francisco is a party, which provides that the Hunters Point Power Plant shall be permanently shut-down as a source of fossil fuel generation by a date certain which shall be no later than 90 days from the initial firing of generation equipment for any new fossil fuel generation at the proposed site;

(C) The proposal will result in a binding, enforceable agreement, to which the City and County of San Francisco is a party, which provides that all existing peaker units at the Potrero Power plant shall be ~~permanently shut-down as a source of fossil fuel generation by a date certain which shall be no later than 90 days from the initial firing of generation equipment for any new fossil fuel generation at the proposed site permanently shut-down as a source of fossil fuel generation by a date certain which shall be no later than 90 days from the initial firing of generation equipment for any new fossil fuel generation at the proposed site~~; (1) retrofitted or rebuilt, using the best available pollution control technology (BACT) and (2) used only when (a) Unit 7 is unavailable due to California ISO scheduled maintenance, or emergencies of which the City is notified, in writing (giving notice to the San Francisco Public Utilities Commission, the San Francisco District Attorney and the Clerk of the Board of Supervisors), by the owner/operator of the Plant, including notification of the time estimated to complete the emergency maintenance, or (b) if there is a natural disaster which disrupts the flow of natural gas to the Potrero Power Plant. In the event the peaker units are used, the owners and operators of the Plant shall provide written reports of emissions, as specified by the Department of Public Health, to the City and County of San Francisco.;

(D) The proposal will use the least emitting pollution control technology;

(E) The proposal will result in a binding, enforceable agreement to which the City and County of San Francisco is a party, which provides that the existing Unit 3 at the Potrero Power plant shall be using the least emitting pollution control technology by a date certain which shall be no later than 90 days from the initial firing of generation equipment for any new fossil fuel generation at the proposed site;

(F) The proposal will result in a binding, enforceable agreement, to which the City and County of San Francisco is a party, requiring the shut down of Unit 3 of the Potrero Hill power plant as soon as the facility is no longer needed to sustain electric reliability in San Francisco and the surrounding area and after appropriate regulatory approvals, and further requiring that within one year of permanent shutdown, the decommissioning of Unit 3 of the Potrero Hill power plant and remediation of the site will begin expeditiously;

(G) The Applicant has provided sufficient mitigation to the impacted communities in Southeast San Francisco to offset any adverse social, economic, cultural, environmental, and public health impacts associated with the fossil fuel generation;

(H) The Applicant shall agree to notify the City and County of San Francisco before it seeks to change or modify any permit required to own, operate, or construct the proposed fossil fuel electric generation project at Potrero Hill Power Plant;

Section 3. Approvals. Any agreement by City officials or departments for or related to new electric generation in ~~Southeast~~ San Francisco shall require approval of the Board of Supervisors.

Section 4. Energy Resource Plan. The Board of Supervisors, working with the Public Utilities Commission and the Department of the Environment shall, after public hearings, adopt plans by ~~Deeember,~~December 1, 2001 to implement all practical transmission, conservation,

efficiency, and renewable alternatives to fossil fuel generation in the City and County of San Francisco. Such plans shall be submitted to the Board of Supervisors by January 1, 2002.

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: Jacqueline P. Meier
Deputy City Attorney

City and County of San Francisco

Tails

Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 010887 **Date Passed:**

Ordinance adopting minimum requirements for the protection of human health and the environment for any proposal for new electric generation at the Potrero Power Plan in Southeast San Francisco; and requiring all City officials and departments to advocate these requirements, and greater protections, in regulatory proceedings and negotiations regarding the proposal to build a new power plant at the site of the existing Potrero Power Plant; and requiring approval of the Board of Supervisors for an agreement by City officials or departments for new electric generation in Southeast San Francisco.

May 21, 2001 Board of Supervisors — AMENDED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Peskin, Sandoval, Yee
Absent: 1 - Newsom

May 21, 2001 Board of Supervisors — AMENDED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Peskin, Sandoval, Yee
Absent: 1 - Newsom

May 21, 2001 Board of Supervisors — PASSED ON FIRST READING AS AMENDED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Peskin, Sandoval, Yee
Absent: 1 - Newsom

May 29, 2001 Board of Supervisors — FINALLY PASSED

Ayes: 9 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, Newsom, Peskin, Sandoval
Absent: 2 - McGoldrick, Yee

PORT OF SAN FRANCISCO

ATTACHMENT B

May 21, 2001

Richard Hillis
Director Mayor's Office of Economic Development
Suite 436, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94111

SUBJECT: Proposed Expansion of the Potrero Power Plant

Dear Mr. Hillis:

As you are aware, Mirant Corporation's proposal to expand the operations of the Potrero Power Plant will have significant impacts on the City's resources and residents. Many of these impacts will most severely affect resources and residents located on or near Port property.

As such, Port staff has been actively working to identify the impacts of and appropriate mitigations for the proposed expansion. The bases for staff's analysis have been the Application for Certification (AFC), responses to data requests, and related supporting documentation filed with the California Energy Commission (CEC) by Mirant. Staff has also sought input on this topic from its Pier 70 Advisory Group through a series of meetings. In addition, as a reference guide, staff has consulted sample conditions/mitigations imposed on other plants by CEC throughout the state, including the Cogeneration Plant on the Pier 90-94 backlands site certified by CEC in 1996.

The results of the Port's efforts are attached to this letter. For convenience, the impacts and mitigations are broken down into the following eight general categories:

- Environmental Justice
- Air Quality/Emissions
- Water Quality/Biology
- Public Access/Open Space
- Cultural Resources
- Land Use/Visual Resources
- Transportation
- Noise

Of course, some of identified impacts and mitigations may appropriately relate to more than one category.

We understand that your office is coordinating with different City agencies and departments to identify and develop an aggregate set of impacts and mitigation measures for submittal to the CEC on behalf of the City. We request that you incorporate the attached impacts and mitigations identified by the Port into this comprehensive package. The Port will not separately send to the CEC the attached list of impacts and mitigations.

We note, however, that the attachment is only the Port's current position on the proposed expansion. Mirant continually submits new information to the CEC and many details of the proposed expansion remain unclear. The Port is likely to identify additional impacts and mitigations and/or modify the noted ones as the certification process moves further along and more information about the project is revealed.

More importantly, the attachment does not reflect the terms the Port may impose on any agreement it enters into with Mirant for use of Port property. The AFC currently proposes the construction of a new cooling water system with new intake and discharge structures as well as a subterranean power transmission line from the Potrero Plant to the existing Hunters Point Switch Yard Substation distribution system. As currently proposed, both of these facilities are partially located on Port property. Mirant will have to enter into an agreement with the Port, acting in its proprietary interest, to construct both of the proposed facilities. As Mirant has not yet commenced negotiations with the Port specifically regarding the proposed facilities, the terms of such an agreement remain to be determined.

I would be happy to answer any questions you may have on this matter. Please feel free to contact me at 274-0546.

Sincerely,

Byron Rhett
Director of Planning and Development

Attachment

cc: Supervisor Sophie Maxwell

May 21, 2001

PORT OF SAN FRANCISCO

Mitigation Proposals for the Potrero Power Plant Expansion Project

This following list of impacts and possible mitigation measures were developed with the input of 1. The Pier 70 Advisory Group following a workshop and discussion of the topic on March 14th and April 25th, 2001; 2.The California Energy Commission (CEC) 1996 certification of the Cogeneration Plant for the Pier 90-94 backlands site; 3. A review of a list prepared by Gregg Wheatland, Deputy City Attorney, of sample CEC conditions/mitigations imposed on plants certified throughout the state; and 4. Port staff, upon review of the Application for Certification (AFC), the proposal, and related supporting documentation filed with the CEC by Mirant for the Potrero Power Plant.

Some of the identified impacts and mitigations may appropriately relate to more than one topic. The eight topics areas follows:

- Environmental Justice
- Air Quality/Emissions
- Water Quality/Biology
- Public Access/Open Space
- Cultural Resources
- Land Use/Visual Resources
- Transportation
- Noise

Environmental Justice

Impact:

Historically the southeast sector of the city, including the Central Waterfront, Bayview Hunters Point and Potrero Hill have received the primary impact from the operation of the Potrero and Hunters Point Power Plants to the benefit of the entire city.

Mitigations:

Require Mirant to give the City a percentage of the revenue resulting from the sale of excess power generated at the Potrero Plant to help fund programs and improvement projects in the southeast sector of the city. This could include education programs in natural history, energy efficiency and environmental justice at Heron's Head Park (Pier 98) through the non-profit organization, Literacy for Environmental Justice (LEJ). LEJ currently provides education programs at Heron's Head Park and proposes to use a new energy-efficient classroom at the park (funded, proposed for construction Fall 2001) to develop and implement ongoing and new educational programs. Mitigation includes three years support for Environmental Programs Coordinator at LEJ, educational materials and community outreach efforts for a total of $190,000

Contribute funding to the SF-ROCKS Program, a new collaboration between San Francisco State University, City College, and the San Francisco public school system. The program is specifically geared toward increasing diversity within the earth sciences (geology, hydrology, oceanography, and meteorology). It is designed to reach its goals by introducing high school students in the southeast part of the City to science applied locally to environmental issues. Hands-on experience collecting and interpreting environmental data forms the core of the program. An academic path will be developed from high school to City College to San Francisco State, with older students serving as peer mentors to those just entering the program. This program is currently awaiting an initial funding decision, due in July, by the National Science Foundation. Mitigation should provide full program funding of at least $300,000.

Fund on-going job creation and training programs for the residents of the southeast sector of the city.

Water Quality/Biology

Impact:

Storm water discharge into City's combined sewer system

Mitigations:

Complete on-site containment and treatment, or

Require Mirant to contribute to the City and Port efforts to improve storm water management capability in the Southern Waterfront to protect water quality in the Bay. Such contribution should be consistent with the additional demand for storm water treatment or management associated with the power plant site.

Contribute $300,000 towards the enhancement of three to four to acres of salt marsh at Pier 94, of which approximately one acre has been filled with concrete, asphalt and tires. Work would include three phases: delineation of the wetland and upland areas and a hydrology assessment; debris removal (concrete, asphalt, tires, and metal) from the wetland to enhance tidal flow; and construction of a low post-and-cable fence to mark the area and prevent neighboring industrial uses from encroaching on the site. The wetland is located along the northern and eastern shore of Pier 94 in San Francisco, and offers valuable foraging and roosting habitat to several species of birds and other wildlife. This wetland is on the San Francisco Bay Joint Venture list of priority sites targeted for restoration.

Annually contribute to the Port's petroleum release prevention/petroleum recycling program. The Port has implemented a successful oil-recycling program along the waterfront. The program addresses the recycling of motor oil and other petroleum products from both commercial fishing boats and private pleasure boats. The program has a direct positive effect in terms of reducing the amount of used oil that goes into the Bay. The success of the program, in terms of

volume of oil collected for recycling, has far exceeded the Port's expectations, and the Port's existing staff is pressed to keep up with the demands of the program. Funding for an additional full-time Port technician on an annual basis, approximately $65,000 per year would assist the Port to continue this successful program.

Impact:

Project construction would require dredging of contaminated Bay sediments and on-site excavation of contaminated soil.

Mitigations:

On a continuing basis, the Port addresses numerous issues pertaining to contaminated sediments along the waterfront. Such sediments may be encountered during dredging projects, wetland restoration projects, and redevelopment projects. The Port and the regulatory agencies that oversee contaminated sediment issues have established a good working relationship to address these sediments when they are encountered. All parties agree that there are unanswered questions regarding contaminated sediments, such as the toxicity of different compounds, how chemicals are transported in the Bay, how specific compounds affect the food web, and others. Periodically, the Port has been able to provide consulting expertise to help address issues that are of interest to the regulatory community and that have direct or indirect impacts on Port operations. Providing at least $150,000 in funding to the Port for use on an "as-needed" basis to fund laboratory chemical and toxicity studies would enable the Port to continue this proactive relationship with the regulatory community.

Fund scholarships for two or three Masters' degree students to complete thesis projects related to environmental topics along the Southern Waterfront. Thesis topics would be science-oriented and could pertain to studies of surface water, sediments, groundwater, air, ecology, wetland and watershed issues, etc. Funding should be directed, where feasible, to a public university located in San Francisco. Each two-year scholarship would provide tuition wavier, stipend, and research funds for each student. Projects would be completed in collaboration with the Port. $90,000 per student; Total $180,000 to $270,000.

Air Quality/Emissions

Impact:

The power plant operations, including vehicle operations would emit odors and SO2, PM10, VOCs, CO2, Nox and diesel emissions.

Mitigations:

Certification of the proposed Potrero Unit No. 7 in accordance with the following operational requirements to be accomplished as soon as the proposed Unit 7 is operational:

1. *Decommission and require the complete closure of the existing Hunters Point Power Plant; and*
2. *Conversion of the existing Potrero Unit No. 3 to cleaner alternative fuel sources using the best available technology such as Liquified Natural Gas (LNG) and limit to a back-up emergency operations basis, not to exceed a maximum of 877 hours per year; and*
3. *Decommission the existing Potrero "peaker" Units No. 4, 5 & 6.*

Mirant to install and maintain air quality monitoring facilities and to continuously monitor local air quality in the Illinois Street corridor, Pier 70 and Dogpatch areas.

Instead of purchasing local air quality off-sets Mirant should develop a program for the retrofit of existing vehicles to use of alternative fuel sources such as electricity, Compressed or Liquid Natural Gas (CNG or LNG), and financial contributions towards construction of alternative fuel facilities for use by industrial uses and MUNI in the Southern Waterfront, and throughout the City. The fueling station should be sited so as to permit utilization by ferry and excursion vessels.

Mirant should provide funding to the Port for the creation of a separate bicycle lane on the proposed Islais Creek Truck/Rail Bridge.

Contribute funds to be used in promoting less polluting means of transportation and e.g. increased MUNI ridership via a revenue stop in the Mission Bay Shortline Turnaround Loop and construction of bicycle lanes.

Implement particulate "scrubbers," catalytic conversion or other technologies on on-site diesel operated emergency generators and equipment.

Mirant funding of on-going or new programs to develop alternative commercial and residential energy sources and associated technology for local usage of solar and wind power.

Public Access/Open Space

Impact:

The proposed power plant expansion does not include provision of open space and shoreline public access on-site or in close proximity.

Mitigations:

Create shoreline and Bay public access, including non-motorized small boat access, by assisting the Port to include in its future development of Pier 70 a "Mirant Park" and "Mirant public boathouse." The development of a public park at Pier 70 are estimated to be approximately $ 2.5 million per acre.

Mirant should contribute to the enhancement of existing, and development of new, open space, shoreline and Bay public access, including non-motorized small boat access, and parking areas for visitors, in the Southern Waterfront, including but not limited to Warm Water Cove Park, Pier 70, Pier 90-94 and the Islais Creek shoreline.

Develop the San Francisco Bay Trail in vicinity of the Potrero Plant and proposed transmission line to Hunter's Point. Provide spur trails to waterfront where feasible, preserve right-of-way for future shoreline access where feasible. Provide funding for the Islais Creek Spur Trail, which will create a new trail construction along Islais Creek, including landscaping, lighting, interpretive signs, and public artwork at an estimated cost of $155,000.

Fund Port creation of ferry and excursion vessel facilities on the Southern Waterfront as a means to provide alternative modes of transportation and to provide public access to the shoreline and Bay.

Cultural Resources

Impact:

Demolition of structures determined to be historic resources due to their significance as remnants of the industrial power production and transmission and eligible for the California Register of Historical Resources and the National Register of Historic Places, individually and/or as contributors to an historic district. Demolition of historic resources is considered a substantial adverse impact that cannot be mitigated to a level of insignificance.

Demolition of the significant structures on the power plant site would affect the setting of adjacent significant historic resources, the 1923 Western Refining Sugar Warehouse and the Pier 70 historic district both of which are eligible for the National Register of Historic Places.

Mitigations:

1. *Recordation of Power Plant Site as last resort to Adaptive Use:*

Adaptive use of the extant power plant facilities should be the first priority. If historic resources on the power plant site are compromised by the expansion project Mirant should mitigate this impact by providing financial resources to identify and protect neighboring historic structures in the Pier

70 area, as this area shares the same historical context and significance as the power plant site. Additionally, prior to demolition the resources on the power plant site should be recorded in accordance with Historic American Engineering Record standards as developed by the US Department of the Interior and the Library of Congress. This could include, but is not limited to, a building inventory, written architectural descriptions, accurate, architectural and engineering "as-built" drawings of extant interior and exterior features of the site, structures and equipment; and large format interior and exterior photography.

Upon acceptance of completed work, copies of the documents should be placed in local, and state repositories as well as the required filing with the Library of Congress.[1]

2. Transfer of Seismic Mitigation Costs to Pier 70 Historic Resources:

The Meter House and Compressor House located on the Potrero Power Plant Site appear to be eligible for individual listing on the National Register of Historic Places.[2] *These structures are unreinforced masonry structures subject to San Francisco's UMB ordinance.*[3] *Therefore, a reasonable mitigation measure would provide an amount equal to the approximately estimated costs ($ to be provided) for the seismic mitigation of these two buildings be contributed to seismic mitigation of Pier 70 historic resources, including but not limited to Buildings 104, 111 and 113. While the seismic retrofit and repair costs for Building 104 and 113 are being prepared by the Port, it has been estimated that Building 111 seismic retrofit and repair alone would cost approximately $5 million.*

3. Education: Exhibition of Central Waterfront Development:

The Dames & Moore Report describes the Potrero Power Plant as a component of the larger historic industrial complex that makes up the Pier 70 Area. The contribution to the history and architecture of the facility should be a part of any educational exhibition proposed for the Pier 70 Area. Therefore, it would be a reasonable request to ask that the Power Plant create or be the major contributor to the exhibition of the central waterfront developmental history.

The historical, architectural/engineering significance of the power plant site should be evaluated for eligibility to the National and/or California Registers as a historic district. If it is determined to be an eligible historic district any impacts associated with the expansion project should be mitigated by requiring Mirant to fund the necessary intensive historic resources evaluation and documentation to allow the Port to nominate a Pier 70 Historic District to the National Register of

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[1] Office of Historic Preservation, California Department of Parks & Recreation; City of San Francisco Public Library, and College of Environmental Design, University of California, Berkeley.

[2] Dames & Moore with Hill & Shoup, Draft Historic Architecture Report, Station A, Potrero Power Plant in the City of San Francisco, Dec. 99.

[3] Ordinance No. 225-92, City of San Francisco.

Historic Places. The evaluation and documentation needs of the eligible Pier 70 Historic District are estimated to be approximately ($ to be provided).

Mirant should be required to create a salvage component to any demolition plan in coordination with the local community and historic preservation organizations to provide for the potential reuse of architectural elements and building materials that would otherwise not be recovered for use by the community.

Impact:

On- and off-site excavation may encounter significant ethnic resources, historic and prehistoric materials.

Mitigation:

Mirant should retain a designated resource specialist to develop an Archeological Resources Treatment Plan and to monitor on- and off-site excavation activities.

Land Use/Visual Resources

Impact:

Demolition of the site's historical resources would be inconsistent with the Policies and Objectives of the City's Draft Preservation Element of the General Plan.

Mitigation:

Mirant should fund preservation activities at Pier 70 and in the Dogpatch Neighborhood.

Impact:

The proposed Potrero Power Plant expansion project would affect the potential non-industrial use recommendations from the Better Neighborhoods 2002 Land Use Study and would be in conflict with the recent development of live/work spaces that strengthen the residential aspects of the area and create additional demand for residential amenities and neighborhood services.

The historic industrial character of the Central Waterfront is changing to a mixture of industrial, commercial and residential/live-work uses. The analysis of the proposed power plant expansion project impacts should recognize diversity of uses in the area, especially the residential aspects of existing live-work developments in the immediate vicinity.

Mitigations:

Mirant should be required to support community efforts to enhance the livability of their neighborhood by contributing resources to enhance and maintain existing public access and open space areas such as Espirit and Warm Water Cove Parks, as well as to the creation of new the public access and open spaces such as at Pier 70, and the Islais Creek shoreline.

Mirant should work with the local community and neighboring property owners to determine an appropriate treatment for the proposed construction on Unit 7 (express the structural framing or enclose in a building), as well as to develop and fund a plan for urban design/streetscape improvements and treatments that would help soften the power plant's industrial character and to buffer locally incompatible land uses in the Southern Waterfront.

Mirant should be required to underground existing utility lines in the Potrero Hill, Dogpatch and Bayview Hunters Point areas.

Impact:

Expansion of the power plant may discourage development of housing in the Southern Waterfront and generate additional demand for housing in the City.

Mitigation:

This impact could be appropriately mitigated by imposing a Housing Impact Fee on the power plant, or by requesting Mirant to contribute to City housing programs.

Impact:

The proposed power plant and smokestacks would be visible from sensitive viewing areas such as Warm Water Cove and Agua Vista Parks.

Mitigation:

Mirant should fund the restoration or removal of the derelict piers that make up the eastern portion of Pier 70, including the removal of Pier 5 within the San Francisco Drydock leasehold at an estimated cost of $500,000 to 750,000.

Impact:

The PG&E SwitchYard and Substation bounded by Humboldt, Illinois and 23rd Streets is unsightly.

Mitigation:

Mirant should develop and implement an appropriate screening plan in collaboration with the community and neighboring property owners. The screening plan should include but not be limited to physical improvements such as walls, structures, fencing and landscaping.

Impact:

The two proposed 180-foot smokestacks would negatively impact the visual quality of the Southern Waterfront.

Mitigation:

Establish an urban forestry and/or similar landscape improvement projects throughout the Dogpatch neighborhood, Pier 70 area and Southern Waterfront.

Impact:

Nighttime illumination of the power plant would increase the backscatter to the sky.

Mitigation:

Develop and implement a lighting plan with community representatives and neighboring property owners to minimize the trespass of unwanted glare visible from residential areas.

Transportation

Impact:

The construction activities associated with the expansion of the power plant, and the construction the transmission line between Potrero and the Hunters Point Switch Yard Substation, would increase in traffic congestion in the area, disrupt existing businesses and conflict with the construction of the MUNI Metro Third Street Light Rail on Third Street, the Metro East MUNI Maintenance Facility, the Islais Creek Truck/Rail Bridge and the development of the Pier 70 Mixed Use Opportunity Area.

Mitigations:

Mirant should develop and implement a plan to minimize localized traffic congestion near the plant and along the route of the transmission line and to fund necessary infrastructure improvements recommended by the plan (e.g. street improvements including but not limited the re-paving of portions of Illinois Street, Amador Street and Cargo Way, installation of traffic signals and street signage). The plan should be developed in coordination with the Port, MUNI, and the

Department of Parking & Traffic and must address localized traffic congestion associated with the plants construction activities including but not limited to, emergency access, street closures, temporary lane closures, maintaining access to adjacent property owners and businesses during construction, removal of on-street parking, transit access and deliveries routes.

Mirant should provide funding to the Port for the improvement the former 22nd Street right-of-way at Pier 70 in order to provide two-lane vehicular access connecting with the eastern terminus of 20th Street, via a loop through the Pier 70 area. The 22nd Street improvement project has been estimated to cost approximately $ 50,000.

Mirant should contribute funding to Caltrain to support their efforts to convert from diesel to electric trains.

Noise

Impact:

The construction activity necessary to expand the power plant would generate undesirable noise emissions that would affect existing part- or full-time live/work and daytime populations that reside or work near the power plant.

Mitigation:

Develop a noise control program that would limit hours of construction activity to the typical hours of the business day (e.g. 8 a.m. to 5:30 p.m. excluding weekends) and establish operational standards and physical improvements to reduce the generation and emission of noise from the site.

ATTACHMENT C

PORT OF SAN FRANCISCO

October 2, 2001

Members, San Francisco Bay Conservation and Development Commission
50 California Street, Suite 2600
San Francisco, CA 94111

RE: BCDC Staff Recommendation of the Potrero Power Plant Expansion Project

Dear Commission Members:

We have reviewed the staff recommendation for the Potero Power Plant expansion proposed by Mirant California, LLC and believe it provides a very thorough review of the issues given the information available. We would like to offer our comments below.

We concur with BCDC staff that as yet there is still insufficient information to fully understand the impacts of the proposed facility, and therefore to identify a complete description of the public access, environmental mitigation measures and community improvements that should be required. The Port has been spending a great deal of time reviewing this project, primarily in the following capacities:

1) Reviewing the California Energy Commission's (CEC) preliminary staff assessments and information provided by Mirant
2) Participating with the City as an intervenor in the CEC's review process
3) Participating in the San Francisco Board of Supervisors Potrero Power Plant Citizens Advisory Task Force meetings to identify local San Francisco concerns
4) Outreach and workshops with the Port's Pier 70 and Southern Waterfront Advisory Committees to share information and solicit comments
5) Participating with other affected city agencies including the San Francisco Public Utilities Commission, coordinated by the Mayor's Office of Economic Development and the City Attorney's Office, in reviewing the impacts of the proposed facility
6) Preliminary discussions with Mirant to prepare for any leasing of Port property that is currently proposed as part of the project.

Since the proposed power plant facility would be a major new project with city-wide implications, the Port recognizes that it is critical to maintain close coordination with the City and affected community, as well as BCDC, prior to entering into any lease of Port properties with Mirant. To that end, we concur with the comments submitted by the City in its letter to BCDC, dated September 26, 2001.

The questions raised by the City and BCDC staff about the feasibility of the proposed cooling system and its alternatives has direct impact on whether and what type of Port property may be involved. If further information indicated that on-site cooling facilities were preferable to the proposed in-Bay cooling system, there could be significant changes in the amount of Port property Mirant would need for the facility, as well as public access improvements. The Port therefore concurs with the informational requests and time extensions needed to complete adequate review of the project.

With respect to the fill removal and public access conditions proposed in the staff report, the Port has the following comments. The BCDC staff recommendation on these conditions respond to the public access and fill removal proposals submitted by Mirant. However, Mirant's proposal has not been adequately considered or reviewed by the Port and City. The Port and City have been actively engaged in a public process to solicit and submit for CEC and BCDC consideration public comments on the proposed facility, including proposals for public access and fill mitigation. Those comments do not include the shoreline park or access proposed in the staff recommendation, and therefore the Port and City would need the opportunity to review the merit of those proposals with the local community before determining whether they would be acceptable.

With respect to the Bay Trail improvements along Illinois Street, we thank the staff for convening representatives of the various City agencies and ABAG. It was very important for these agencies to share information about the land use and planning issues that are currently under study, and as yet unresolved. Because they will greatly influence the ultimate type and scope of Bay Trail improvements for Illinois Street, we support the BCDC staff recommendation to continue working with these agencies through the conclusion of the area-wide planning studies and transportation improvements in order to determine the appropriate Bay Trail improvements.

With respect to the proposed fill mitigation condition, we would like to clarify that there has been no agreement between Mirant and the Port on the proposed $300,000 contribution towards the cost of removing Wharf No. 5 at Pier 70 (referred in the BCDC staff report as Pier 5). Indeed, Wharf No. 5 is in a state of collapse and needs to be removed very soon, but the estimated cost of its removal is substantially higher (up to $750,000), as described in the BCDC staff report. The Port and City comments submitted to the CEC and copied to BCDC included the removal of Wharf No. 5 in its entirety as one of the conditions for consideration. Given that Mirant includes almost 150,000 square feet of new fill under its current proposal, it seems to us that full removal of the 45,000 square foot Wharf No. 5 would be very reasonable. If Mirant were to alter their plant design to include an on-site rather than in-Bay cooling system, such a change could affect the fill mitigation question.

We appreciate the opportunity to comment at this juncture, and will continue to work with BCDC and the City of San Francisco as the project and further supporting environmental information becomes available.

Sincerely,

Byron Rhett
Deputy Director, Planning and Development

cc: Mark Harrer, Mirant
Jacqueline Minor, San Francisco City Attorney's Office

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SAN FRANCISCO
PORT COMMISSION

JANUARY 8, 2002
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. DENISE McCARTHY
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JANUARY 8, 2002

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:05 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2. APPROVAL OF MINUTES - December 11, 2001 Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; the minutes of the December 11, 2001 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Filling in for Mr. Wong, who was at a meeting, Mr. Dailey reported the following:

- New Year's Eve Party
  The City of San Francisco hosted its third annual free New Year's Eve Celebration on the South-Embarcadero between Mission and Howard Street. The event was sponsored by See's Candies, the Visitor's and Convention Bureau, and the Port of San Francisco. The event began at 10 p.m. with DJ music followed by a fireworks display at midnight from two barges located in the bay off Herb Caen Way, south of the Agriculture Building. The police estimated the crowd at approximately 250,000. All Port and local restaurants remained open during the event with overflow customers. The City looks forward to continuing this annual event when the Ferry Building reopens for the 2003 celebration.

- Fisherman's Wharf Marketing Campaign
  Tourism has been down in San Francisco since September 11th and Mayor Brown launched a citywide marketing campaign to help boost tourism in San Francisco. Last October, the Port teamed up with the Fisherman's Wharf Merchants Association to launch a three-phase marketing campaign targeting the regional market to help increase business at the Wharf and support our tenants during this difficult time. The campaign, entitled ***Rediscover San Francisco and Fisherman's Wharf***, started prior to the Thanksgiving Holiday with a combination of print advertisements and 30 second television spots that aired on cable television throughout Northern California. The idea was to reach people who can drive or take a ferry to San Francisco from regional markets such as Sacramento, the East Bay, Peninsula and Contra Costa County. He acknowledged and thanked the following Port staff for their efforts:

Karen Clopton, Renee Dunn, Elliott Riley, Mark Bryant and Carol Anderson. They have been working closely with the Fisherman's Wharf Marketing Committee to implement and monitor the progress of the campaign through web sites and ad responses.

B. Election of Officers

Commissioner Brandon opened the floor for nominations of Port Commission President.

Commissioner Lee nominated Commissioner McWilliams as President of the Commission. Commissioner McCarthy nominated Commissioner Hardeman as President of the Commission. Commissioner Hardeman was elected President of the Commission.

Commissioner Hardeman opened the floor for nominations of Port Commission Vice President.

Commissioner Hardeman nominated Commissioner Brandon as Vice President of the Commission. Commissioner McWilliams nominated Commissioner Lee as Vice President of the Commission. Commissioner Brandon was elected Vice President of the Commission.

4. CONSENT

A. Approval of Amendment to Port Memorandum of Understanding No. MOU-12658, with the Mayor's O ffice of Economic Development for premises located at Pier 27. (Resolution No. 02-01)

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 02-01 was adopted.

B. Approval of lease with Breda Transportation, Inc. at Transit Shed D, Pier 80 (at foot of Cesar Chavez Street). (Resolution No. 02-02)

ACTION: Commissioner Brandon moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 02-02 was adopted.

5. ENGINEERING & MAINTENANCE

A. Request for authorization to execute Fifth Amendment to Professional Services Agreement No. SA3960018, "Design of Pier 52 Public Boat Ramp and Public Access," with Arcus Architecture & Planning for additional design and construction management services. (Resolution No. 02-03)

Mr. Ken Chu, Project Manager, presented the item and requested Commission's approval.

Corinne Woods, member of the Bayview Boat Club, urged the Commission to adopt the resolution. In their meeting with Port staff, they have decided that the best possible way to get this project moving immediately is to hold off during the wintertime until they can figure out a long-term solution for the breakwater. They hope to be able to incorporate

the old railroad pier as a historic relic as part of a breakwater to protect the cove. They are waiting for Catellus to finish the storm drain work so they could start working on the parking lot.

Commissioner McCarthy inquired about the inter-department review and whether the group meets regularly to review the projects. She wondered why the engineering issue was not discovered earlier.

Nita Mizushima, Chief Harbor Engineer, replied that the inter-department review is part of the new cross-functional team training at the Port. Previously, it was an informal process. This particular project has been going on for a while and the group felt it needs a thorough review again and it was at that point that the issue was uncovered. The condition of the railroad trestle has changed significantly since the project started.

Commissioner McCarthy asked if the inter-department review would be part of the review process for all the projects. Ms. Mizushima replied to the affirmative.

ACTION: Commissioner Brandon moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution Nos. 02-03 was adopted.

6. PLANNING & DEVELOPMENT

A. Informational Briefing on the Proposed Expansion of the Potrero Power Plant, 1201 Illinois Street, and Related Public Utilities Commission (PUC) proposals for the development of Energy Facilities on Port property in the Southern Waterfront.

Mr. Byron Rhett, Director of Planning & Development, identified Port staff's involvement with the project including participation in the larger City intervenor process that included the preparation of the City's July 2, 2001 comment document to the California Energy Commission (CEC). He also reported on their participation in the work of the Potrero Power Plant Citizens Advisory Task Force, as well as the development of a list of potential mitigation measures and/or community benefits with the Pier 70 Advisory Group and Southern Waterfront Advisory Committee (SWAC).

Jackie Minor, Deputy City Attorney, addressed the State and Federal regulatory review process for the project including that of the CEC. She also discussed the City's role as an intervenor in the CEC review process and her work with the various City agencies in the preparation of the collective set of City comments that were transmitted to the CEC in July of 2001. Jackie Minor also reported on the project status, key next steps and estimated timeline for completion of the CEC review process. (A copy of her presentation is on file with the Commission Secretary.)

Michael Carroll, Mirant Corporation, Project Legal Counsel, made a summary presentation of the proposed Potrero Power Plan expansion project including the cooling-water intake structure, discharge pipelines and transmission line that are proposed to be located on Port property. He also presented Mirant's proposal to satisfy BCDC conditions for the provision of open space and public access, as well as their proposal to mitigate the creation of Bay fill by contributing to the Port's proposed pile removal in the Pier 70 area. (A copy of his presentation is on file with the Commission Secretary)

Philip De Andrade, Chair of the Potrero Power Plant Citizens Advisory Task Force, addressed the Task Force advisory role to the Board of Supervisors on the project and their work and participation as an intervenor in the CEC review process. He also addressed the Board's adoption of Ordinance No. 124-01 also known as the "Maxwell Ordinance" that calls for the development of a City Energy Resource Plan, and established a minimum set of conditions the project must meet in order for the City & County to consider the granting of any governmental approvals.

Ed Smeloff, Assistant General Manager for Public Power, San Francisco Public Utilities Commission (PUC), presented the joint PUC and Dept. of the Environment preparation of a City Energy Resource Plan pursuant to the "Maxwell Ordinance." He presented the elements of the plan, including the identification of City's power needs, analysis of energy alternatives, and the opportunities for public participation. Ed Smeloff also addressed the potential development of energy related facilities by the PUC, as an outcome of the Energy Plan, some of which may be proposed for Port property. (A copy of his presentation is on file with the Commission Secretary.)

In response to Commissioner Brandon's inquiry whether PUC staff has looked at other properties besides the Port, Mr. Smeloff replied to the affirmative.

Commissioner Brandon commented that it makes no sense to shut down the Hunter's Point plant if a new plant would be built and centered in the same area. She questioned the validity of building a plant in that area when the entire City needs the power plant. Mr. Smeloff replied that a large power plant has to be built in that area because the transmission system is configured in a way that it comes up from the substation at the Cow Palace through the southeast corridor terminating either at Hunter's Point, Potrero or Embarcadero. An interconnected high voltage plant requires close proximity to a high voltage line. They are also looking at a proposal to build a district heating power plant at 5th and Jessie Streets that would have to interconnect with the PG&E substation located at Mission and 9th Streets. There are two other substations at Larkin & Eddy and Mission & 9th Streets that could interconnect a power plant but it's more difficult to site a power plant.

Commissioner Brandon asked about the third option of having three smaller plants rather than one large plant. Mr. Smeloff replied that the last option would have distributed generation, a much smaller unit, less than a megawatt in size that could be distributed throughout the City and interconnected at lower voltage. There has to be an electricity generating equipment in the general southeast portion of San Francisco.

In response to Commissioner Brandon's inquiry about the purpose of the new substation, Mr. Smeloff replied that the new substation is primarily for serving the light rail line that goes along Third Street. This would be the most efficient way to provide that service. Otherwise, we would have to rely on PG&E which would be extraordinarily expensive. To provide light rail with electricity, this substation would be the appropriate approach.

Commissioner Brandon indicated that no matter how it turns out, this section of the City would get the brunt of all these. Mr. Smeloff replied that the substation could be designed in a way that there would be no emission associated with the substation. There is a visual

impact but that could be mitigated through architectural and landscaping approaches.

Commissioner Brandon indicated that the area that was chosen for the substation at Cargo Way is one of the Port's opportunity area that will be developed to benefit the community and building a substation was not one of the options. Mr. Smeloff indicated that a light rail would provide a significant benefit to the community.

Marla Jarosek, Director of Retail Services, indicated that they have worked with Port staff, in particular Phil Williamson, to check the feasibility of some of the options. In looking at the area for a substation location, they also looked at the development plans the Port has in that area. The site size for the substation itself with a transformer, breaker and switches and depending on how many breakers there are could range in size from 200 by 200 to 250 by 300 depending on how many square connections they want to make in the future. Although the Cargo Way would be their preferred location, they have looked at different locations. They are open to looking at other areas as well.

Diane Oshima summarized the informational briefing and the anticipated next steps in the project review process including the Port's proposed execution of a reimbursement agreement with the project sponsor that would allow the Port to be reimbursed for the cost of the staff time required to negotiate any necessary property use agreements for Port Commission consideration. Additionally, she informed the Commission of its opportunities for participation, as a part of the collective City intervenor process with the CEC, as well as a January 10, 2002 BCDC workshop to solicit public input on Mirant's open space and public access proposal. Ms. Oshima acknowledged and thanked Mark Paez for his efforts in this project.

Commissioner McCarthy complimented staff and the presenters for putting together the best presentation she's received regarding any development at the Port. She asked if the Port is moving ahead with the negotiations with Mirant. If so, she wondered why when the information on the City's Energy Plan is incomplete. Ms. Oshima replied that staff does not have a prescribed timeframe for when staff would be bringing any information to the Commission because there are so many moving pieces in place. The Energy Plan is a relatively newcomer to this proposal. Mirant started two years ago. There has been an ongoing California State process that has driven the group to make timely comments. Staff's commitment is to stay as coordinated and in a logical sequence as possible.

Mr. Carroll, Mirant, indicated that the City of San Francisco like any other city, in theory, can meet its power needs in any number of ways. When it comes to the obligation to make sure that the power is there to keep the businesses and hospitals going and the schools safe, we need to move from theory to what's practical. Practically speaking, it takes about two years to get a power project approved and another 2-½ years to get that project approved. They need to move forward in parallel on these tracks because they can't afford to do it sequentially. It may not be the most efficient use of resources but it is required in this situation because the lead-time for bringing these resources on line takes so long. It is important for them to engage in these discussions with the Port in the event that Unit 7 is part of it and they haven't lost a lot of time in getting these pieces in place.

Mr. Andrade commented that we not move forward with this project absent the City's own understanding of its needs. We should not act until we have our own assessment as

required by the Maxwell Ordinance.

Commissioner Brandon inquired about the City approval process for this project. Ms. Minor replied that one of the conditions of the City Ordinance adopted by the Board of Supervisors is that all of agreements related to power generation in San Francisco ultimately must go back to the Board of Supervisors for final approval. The Board was very clear that at least with respect to the big picture, the Board wanted to be the final approval authority. Absent the City Ordinance, there was some question as to whether the Port Commission or PUC would approve a set of agreements. The Ordinance now makes it clear that most of the agreements would roll up to the Board of Supervisors ultimately for approval. Prior to getting to the Board level, they have had a very active inter-departmental team working on this project including Public Health, Port, City Planning, Supervisor Maxwell's office and the Mayor's Office of Economic Development. The Mayor's Office of Economic Development has also funded a consultant to help facilitate the process for the City.

Commissioner Brandon thanked everyone involved for providing the Commission a thorough presentation. She requested for this presentation because different departments within the Port are working with different departments within the City and Mirant. She hopes that the Port can put together an inter-departmental team (from Planning, Real Estate and Maritime) so they can be on top of things since this is a very important project for the Port.

Robin David, Bernal Heights resident and chair of the Labor Task Force for Public Power, challenged some of the suppositions that Mirant's legal counsel laid out. If you are building a power plant, it is very popular to claim that the modern technology is clean. Fossil fuel generation is not clean. It's a bit cleaner than the old technology but the concerns for pollution in the neighborhood are quite real. He also thinks that the supposition that they are in step with and in parallel direction with the City's needs is quite a stretch of the imagination. The size of the project is way beyond anything that the City needs. All the power that they would produce when they are not within the red line, they would sell outside. When PG&E ran the system, they would reduce the load in the summer which reduces the pollution and also gives cheaper power. Mirant wants to sell its expensive fossil power either in the City or outside regardless of what other power is available. They don't own any hydropower. They are not interested in anybody else's power. They way they would operate it would be in their interest rather than the City's. We do need increases in fossil fuel plants, a total of 500 or 600 megawatts, made of either a totally refitted old unit plus a new unit or two new units because you need separate units for reliability. It does not address the other important question of market power that they would control and all of the generation in the City. It would take up the question of providing the power we need in the City but reduce the pollution and reduce the concerns with the cooling in the bay. It would give enough power to shut down Hunter's Point. He emphasized that we need to look at a smaller project that would meet the needs of the City and reduce pollution.

7. NEW BUSINESS/PUBLIC COMMENT

Commissioner Hardeman commented that there has never been a President of this Commission that has devoted as much time as Commissioner Brandon has in the last year.

Commissioner Brandon deserves applause for her devotion and commitment to the Port. He also thanked outgoing Vice President McWilliams for all his efforts last year. The entire Commission deserves applause. Staff has also put in tremendous amount of hours and thanked them for their devotion to the Port.

8. EXECUTIVE SESSION

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 6:20 p.m., the Commission withdrew to Executive Session to discuss the following:

B. CLOSED SESSION:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (Discussion and Action Items)

a. Discuss existing litigation matters pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (2 cases):

- City and County of San Francisco v. Commonwealth Insurance Company, The Travelers Indemnity Company of Illinois, and Westchester Insurance Company; Santa Clara Superior Court Case No. CV 794046, filed October 22, 1999. (Discussion and Action Item) (Resolution No. 02-04)

Discussion and approval of settlement of litigation alleging breach of contract and denial of insurance coverage in bad faith, relating to fire damage and building code upgrades to Pier 48. Proposed settlement of litigation upon terms which include defendant-insurers' direct payment of $539,483 to the Port for damages, and payment of $8,000,000 into an escrow account for the design and construction for the seismic retrofit of Pier 48, Overra Construction shall perform at a guaranteed maximum cost of $7,293,378, excluding a contingency of $164,122, with any escrow balance reverting to the Port following completion of the construction; in exchange for the Port's dismissal of the litigation and release of all claims, and the defendants' mutual release of claims against each other relating to insurance coverage for the fire damage.

A copy of the proposed litigation settlement agreement is available for inspection with the Executive Secretary for the Port, pursuant to San Francisco Administrative Code Section 67.12(b)(3).

- F. Alioto Company, Inc. et al. v. City and County of San Francisco, et al., San Francisco Superior Court Case No. 318360, filed January 25, 2001. (Discussion and Action Item)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 19/23
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Big C Traders: Claude Jacques

b. Property: Pier 80, Pier 92, and Pier 94
Person Negotiating: Port: Mark Lozovoy, Deputy Director of Real Estate
*RMC Pacific Materials: Joe Sostaric

c. Property: Pier 27 Administration Building
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Flying Dutchman Inc.: James Vierling

d. Property: Pier 27 Administration Building
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*You & Leisure Travel: Carlos Afre

e. Property: Pier 80 Inn
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 80 Inn: Derf Butler

f. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

g. Property: Broadway/Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality: Lawrence Lui
This item has been taken off the calendar.

h. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen
This item has been taken off the calendar.

i. Property: The Ferry Building
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Ferry Building Investors, LLC: Terry Reagan
This item has been taken off the calendar.

9. RECONVENE IN OPEN SESSION

At 8:35 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Brandon moved approval of the proposed settlement agreement in the litigation entitled City & County of San Francisco v. Commonwealth Insurance Company upon the terms and conditions set forth in the agreement on file with the Commission Secretary and the Commission adopt Resolution No. 02-04 thereby authorizing the Executive Director to enter into the Settlement Agreement and to execute all agreements pursuant to the Settlement Agreement. Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; Resolution No. 02-04 was adopted.

ACTION: Commissioner Brandon moved approval to not disclose any other information discussed in executive session. Commissioner McWilliams seconded the motion. All of the Commissioners were in favor.

10. ADJOURNMENT

The meeting was adjourned at 8:36 p.m.

No Supporting documents received - 1/14/01 Carla
Commission Secretary; none for this meeting.

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PORT COMMISSION

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REGULAR MEETING
4:00 P.M., TUESDAY, JANUARY 22, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - January 8, 2002 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

5. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION:

      (1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (Discussion and Action Items)

         a. Discussion of existing litigation matters pursuant to Section (a) and (d) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d):

            - Magdi Yousef v. City and County of San Francisco; San Francisco Superior Court Case No. 312464, filed May 26, 2000. (Discussion and Action Item)

Discussion and approval of proposed settlement of litigation alleging personal injuries from dangerous condition on public property. Proposed settlement of litigation upon terms that include payment of $10,000 from Port to plaintiff in exchange for plaintiff's full release of all claims and dismissal of the litigation.

- Claimant Robert Cort v. City and County of San Francisco. San Francisco Administrative Claim No. 0103784, filed June 19, 2001. (Discussion and Action Item)

Discussion and approval of proposed settlement of administrative claim seeking damages of $191,000 (including purchase price refund of $81,464) and rescission of Port's sale of Drydock #1 to claimant Robert Cort. Proposed settlement upon terms that include Port's partial refund of $49,000 to claimant and rescission of sale in exchange for plaintiff's full release and dismissal of claims.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 33 North
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Portside.Com: George Armstrong

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 33 North.

b. Property: Pier 80, Pier 92, and Pier 94
Person Negotiating: Port: Mark Lozovoy, Deputy Director of Real Estate
*RMC Pacific Materials: Joe Sostaric

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 80, 92 & 94.

c. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 23.

d. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

e. Property: The Ferry Building
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Ferry Building Investors, LLC: Terry Reagan

Under Negotiation: ___ Price ___Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at The Ferry Building.

f. Property: Pier 70 Opportunity Area
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany
*AMB Properties: Louis Belmonte

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 70.

g. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations regarding the Rincon Park Restaurant Site.

6. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

Vote on whether to approve proposed settlement of litigation entitled Magdi Yousef v. City and County of San Francisco; San Francisco Superior Court Case No. 312464. (Also listed above, Closed Session, Item No. 5B(1) a.)

Vote on whether to approve proposed settlement of administrative claim of Robert Cort v. City & County of San Francisco, San Francisco Administrative Claim No. 0103784. (Also listed above, Closed Session, Item No. 5B(1) a.)

7. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

JANUARY/FEBRUARY 2002
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
January 22	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
February 12	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
February 26	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

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The Maritime Commerce Advisory Committee (MCAC) meets every other month on the second Wednesday at 11:30 a.m. in Bayside 1 @ Pier 1. Contact Person: Jill Simpson @ 274-0519. The next meeting is scheduled in March; however, it will be held on the first Wednesday due to schedule conflicts. Therefore, the next MCAC meeting is scheduled on Wednesday, March 6, 2002 at 11:30 a.m.

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The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

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ACCESSIBLE MEETING INFORMATION

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C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

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SAN FRANCISCO
PORT COMMISSION

JANUARY 22, 2002
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. DENISE McCARTHY
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JANUARY 22, 2002

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 4:07 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Denise McCarthy, and Pius Lee. Commissioner Brian McWilliams arrived at 4:18 p.m.

2. APPROVAL OF MINUTES - January 8, 2002 Regular Meeting

ACTION: Commissioner McCarthy moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the January 8, 2002 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report.
Mr. Wong reported that Port staff has been working closely with federal authorities regarding enhancing Port security in light of current events. The Federal Port Security Act (Senate Bill 1215) is moving through the Congress and is expected to be enacted later this year. In the meantime, the U.S. Coast Guard is working with the Port of San Francisco and other Port authorities to develop interim security guidelines and facility security plans for each Port's marine facilities. In San Francisco, this would include our cargo facilities at Piers 80, 92, 94, the cruise terminal, San Francisco Drydock at Pier 70 as well as power plants located at the bay. Each operator will be required to submit a draft security plan for their facility to the Coast Guard as a part of the overall plan for the Port. The deadline for submission of these plans in February 28th. Port staff will meet with the various terminal and plant operators to assist in the formulation of these important interim security plans. Staff is also working closely with the American and California Association of Port Authorities to help give input to Congress regarding the local issues regarding Port security. Peter Dailey and Taline Sanassarian will participate in a Port and Harbor Security Workshop on February 5th with members of the California Legislature. I

4. NEW BUSINESS/PUBLIC COMMENT

Alison Healy, Executive Director, provided the Commission a brief presentation of the Tall Ships Challenge 2002 and requested their favorable consideration of her request outlined in the letter to the Executive Director.

Commissioner Hardeman thanked Ms. Healy for her presentation and indicated that the Executive Director will assign staff to work with her on this important event.

Ernestine Weiss suggested that the Commission consider putting a band shell at Pier 30/32, similar to the one in Australia, instead of office spaces. It would enhance the pier and would attract people to the waterfront and bring income to the Port. She also suggested that the Port ban the use of wood burning fireplace because it emits toxic pollutants and causes pollution in the neighborhood.

5. EXECUTIVE SESSION

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 4:17 p.m., the Commission withdrew to executive session to discuss the following:

CLOSED SESSION:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (Discussion and Action Items)

a. Discussion of existing litigation matters pursuant to Section (a) and (d) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d):

- Magdi Yousef v. City and County of San Francisco; San Francisco Superior Court Case No. 312464, filed May 26, 2000. (Discussion and Action Item)

Discussion and approval of proposed settlement of litigation alleging personal injuries from dangerous condition on public property. Proposed settlement of litigation upon terms that include payment of $10,000 from Port to plaintiff in exchange for plaintiff's full release of all claims and dismissal of the litigation.

- Claimant Robert Cort v. City and County of San Francisco. San Francisco Administrative Claim No. 0103784, filed June 19, 2001. (Discussion and Action Item)

Discussion and approval of proposed settlement of administrative claim seeking damages of $191,000 (including purchase price refund of $81,464) and rescission of Port's sale of Drydock #1 to claimant Robert Cort. Proposed settlement upon terms that include Port's partial refund of $49,000 to claimant and rescission of sale in exchange for plaintiff's full release and dismissal of claims.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 33 North
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Portside.Com: George Armstrong

b. Property: Pier 80, Pier 92, and Pier 94
Person Negotiating: Port: Mark Lozovoy, Deputy Director of Real Estate
*RMC Pacific Materials: Joe Sostaric

c. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

d. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

e. Property: The Ferry Building
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Ferry Building Investors, LLC: Terry Reagan
This item was taken off calendar.

f. Property: Pier 70 Opportunity Area
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany
*AMB Properties: Louis Belmonte

g. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

6. RECONVENE IN OPEN SESSION

At 6:50 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner McCarthy moved approval to not disclose any information discussed in executive session. Commissioner Lee seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner McCarthy moved approval of proposed settlement of litigation entitled Magdi Yousef v. City and County of San Francisco in the amount of $10,000 pursuant to the terms negotiated. Commissioner Lee seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner McCarthy moved approval of proposed settlement of administrative claim of Robert Cort v. City & County of San Francisco pursuant to the terms negotiated. Commissioner Lee seconded the motion. All of the Commissioners were in favor.

7. ADJOURNMENT

The meeting was adjourned at 6:58 p.m.

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February 5, 2002

TO: ALL INTERESTED INDIVIDUALS

02-07-02P04:39 RCVD

NOTICE: PORT COMMISSION PUBLIC HEARING ON THE ILLINOIS STREET RAIL/TRUCK BRIDGE

TUESDAY, FEBRUARY 12, 2002; 4:00 P.M.
PORT OF SAN FRANCISCO
PIER 1 - BAYSIDE CONFERENCE ROOM
Located on The Embarcadero at Washington Street
SAN FRANCISCO, CA 94111

This public hearing has been scheduled to solicit public comments on the Illinois Street Rail/Truck Bridge proposed by the Port to provide freight rail and truck/vehicle access over Islais Creek between the Port's existing marine cargo terminals. A staff report on this item will be available on the Port's website by Friday, February 8, 2002, at www.sfport.com.

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SAN FRANCISCO
PORT COMMISSION

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FEB - 7 2002

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PUBLIC LIBRARY

02-07-02P04:45 RCVD

REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 12, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - January 22, 2002 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - Port Security State Legislation

4. **OPERATIONS**

   A. Request approval of the Port's 2002/03 Operating Budget. (Resolution No. 02-05) (Staff report provided to the Commission.)

   B. Request approval of the Port's 2002/03 Capital Plan. (Resolution No. 02-06) (Staff report provided to the Commission.)

5. **PLANNING & DEVELOPMENT**

   A. Informational Presentation and Public Hearing on the Illinois Street Rail/Vehicle Bridge. (Staff report provided to the Commission.)

   B. Informational Presentation regarding the Brannan Street Wharf Project. (Staff report provided to the Commission.)

6. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

7. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER (Discussion and Action Item)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1case):

- Claimant National Railroad Passenger Corporation dba Amtrak v. City and County of San Francisco. San Francisco Administrative Claim No. 02-04198, filed December 24, 2001. (Discussion and Action Item)

  Discussion and approval of proposed settlement of administrative claim seeking damages of $29,143.89 as a result of water intrusion and flooding in premises leased to the claimant. Proposed settlement for payment of $29,143.89 in exchange for claimant's full release and dismissal of claims.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*MTC: Jim Wiltshire

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 80.

b. Property: Pier 45 Shed A
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Red & White Fleet: Tom Escher

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45 Shed A.

c. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

d. Property: The Ferry Building
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Ferry Building Investors, LLC: Terry Reagan

Under Negotiation: ___ Price ___Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at The Ferry Building.

e. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at the Bryant Street Pier.

8. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

Vote on whether to approve proposed settlement of administrative claim of National Railroad Passenger Corporation dba Amtrak v. City and County of San Francisco, San Francisco Administrative Claim No. 02-04198. (Also listed above, Closed Session, Item No. B(1) a.)

9. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

FEBRUARY 2002

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
February 12	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
February 26	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:

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SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 12, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

ADDENDUM

7. EXECUTIVE SESSION

B. CLOSED SESSION:

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
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f. Property: Pier 70 Opportunity Area
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*AMB: Luis Belmonte
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 70.

g. Property: Francisco Bay Office Park
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*SKS: Paul Stein

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Francisco Bay Office Park.

PORT OF SAN FRANCISCO

MEMORANDUM

February 6, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Fiscal Year 02/03 Operating Budget

DIRECTOR'S RECOMMENDATION: APPROVE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 02/03

The purpose of this item is to request Commission approval of the proposed Fiscal Year 02/03 operating budget. Following Commission approval, the budget will then be reviewed by the Mayor's Office, which will submit the budget to the Board of Supervisors by June 1, 2002. The Board will give final consideration to the budget on or before August 27, 2002.

The proposed Fiscal Year 02/03 Operating Budget is summarized as follows:

	FY 01/02	FY 02/03	Increase/ (Decrease)	Percent
Revenue	$58,886,687	$49,172,500	($9,714,187)	(16.5%)
Expense	58,886,687	49,158,309	($9,728,378)	(16.5%)
Surplus	$0	$14,191	$14,191	NA

THIS PRINT COVERS CALENDAR ITEM NO. **4A**

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Revenue

The proposed revenue budget of $49.2 million for FY 02/03 reflects a $9.7 million decrease or 16% below the prior fiscal year. Projected revenues for FY 02/03 are as follows:

	FY 01/02	FY 02/03	Increase/ (Decrease)	Percent
Cargo	$2,977,000	$3,138,000	$161,000	5%
Ship Repair	1,250,000	1,075,000	(175,000)	-14%
Harbor Services	915,000	933,000	18,000	2%
Cruise	585,000	760,000	175,000	30%
Fishing	1,506,000	1,476,000	(30,000)	-2%
Other Marine	1,350,000	1,243,500	(106,500)	-8%
Commercial/Indust. Rent	31,078,000	30,914,000	(164,000)	-1%
Parking	7,060,000	6,928,000	(132,000)	-2%
Filming	100,000	75,000	(25,000)	-25%
Special Events	150,000	75,000	(75,000)	-50%
Miscellaneous Services	50,000	50,000	0	0%
Facility Damage	6,000	6,000	0	0%
Tenant Services	0	0	0	0%
Permits	775,000	175,000	(600,000)	-77%
Miscellaneous Repairs	30,000	30,000	0	0%
Negotiation Fees	205,000	50,000	(155,000)	-76%
Interest on Investments	2,450,000	2,220,000	(230,000)	-9%
Penalties & Svc. Charges	20,000	15,000	(5,000)	-25%
Miscellaneous Receipts	8,379,687	9,000	(8,370,687)	-100%
Total	$58,886,687	$49,172,500	($9,714,187)	-16%

The major changes in the FY 02/03 revenue budget compared to the prior fiscal year are in Permits, Interest on Investments, and Miscellaneous Receipts as a result of the following:

- Revenue from permits is projected to decrease by $600,000, or 77%, based on actual revenues for the past three years and expected permit fees from new projects.

- Interest income is projected to decrease by $230,000, or 9%. The projection is based on an average earnings rate of 3.70% on average operating balance of approximately $60,000,000.

- Miscellaneous revenues are projected to be $9,000, which reflects prior year actual adjusted for one-time revenues. The FY 2001/02 budget included one-time funds to pay off C.I.B.C loan.

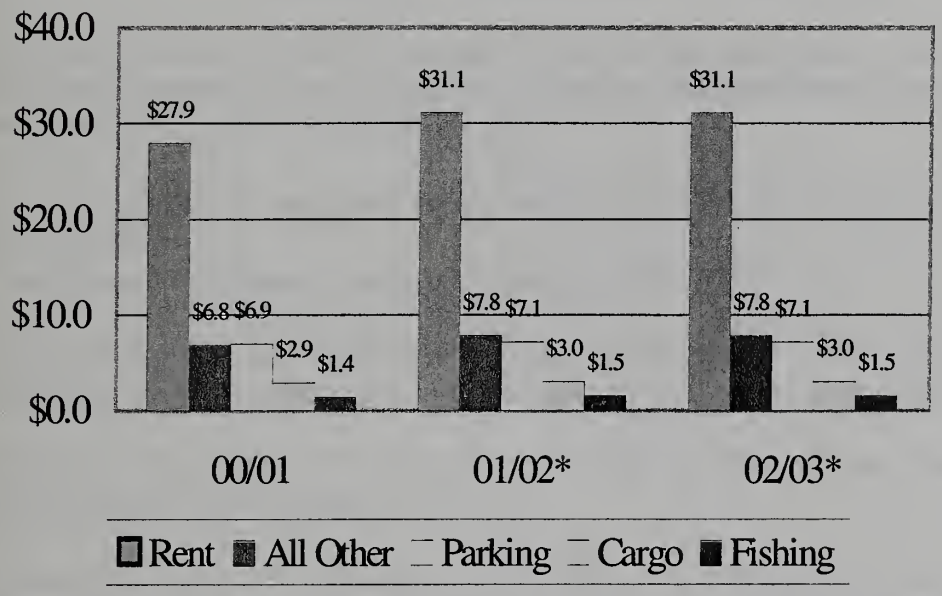
- Miscellaneous revenue is projected to decrease by $8.4 million or 99.9% due to the effect of a on-time transfer in July of 2001 of $8.7 million in funds from the Port's unappropriated fund balance. These funds were appropriated in the FY 2001/02 budget and used to repay the entire outstanding balance of a bank loan which the Port's incurred in 1997 to finance the relocation of the Port's maintenance department and other commercial tenants from Pier 46 to Pier 50 and to purchase a 3.5 acre site needed for the Pacific Bell Park development.

  Miscellaneous revenues for FY 2002/03 are budgeted at $9,000 which is consistent with the Port's recent historic experience

- Revenues from ship repair, other marine, commercial/industrial rent, and parking, together, are projected to decline by $578,000. This decline is due to reduced activity at the Port

Revenue for a three-year period is as follows:

Revenue
FY 00/01 - FY 02/03
(in millions)



*Budget

Expense

The proposed FY 02/03 expense budget of $49.2 million is a $9.7 million decrease or 18% below the prior fiscal year. The expense summary for FY 02/03 is as follows:

	FY 01/02	FY 02/03	Increase/ (Decrease)	Percent
Salaries & Benefits	$21,972,524	22,789,583	$817,059	4%
City-wide Overhead	652,541	916,242	263,701	40%
Other Current Exp.	6,545,943	6,579,802	33,859	1%
Materials & Supplies	2,033,640	1,445,046	(588,594)	(29%)
Fixed Charges	326,525	358,584	32,059	10%)
Capital Outlay	1,181,425	40,000	(1,141,425)	(97%)
Facilities Maintenance	802,900	524,800	(278,100)	(35%)
Debt Service	15,707,546	7,029,240	(8,678,306)	(55%)
Insurance	1,300,000	1,900,000	600,000	46%
City Attorney	1,733,820	1,885,870	152,050	9%
Fire Protection	1,506,600	1,675,000	168,400	11%
Workers Comp.	324,926	600,000	275,074	85%
Light, Heat & Power	1,496,360	1,332,360	(164,000)	(11%)
Parking & Traffic	15,000	80,500	65,500	437%
Other Services	3,286,937	2,001,282	(1,285,655)	(39%)
Total	$58,886,687	$48,158,309	($9,728,378)	(17%)

The major changes in the FY 02/03 expense budget over the prior fiscal year are in Salaries & Benefits, Other Current Expenses, Materials & Supplies, Facilities Maintenance, City Attorney and Other Services as a result of the following:

- Salaries & Benefits are projected to increase $817,059, or 4%, as a result of adjustments: MOU, step, etc.
  - Staff does not recommend additional positions in FY 02/03.

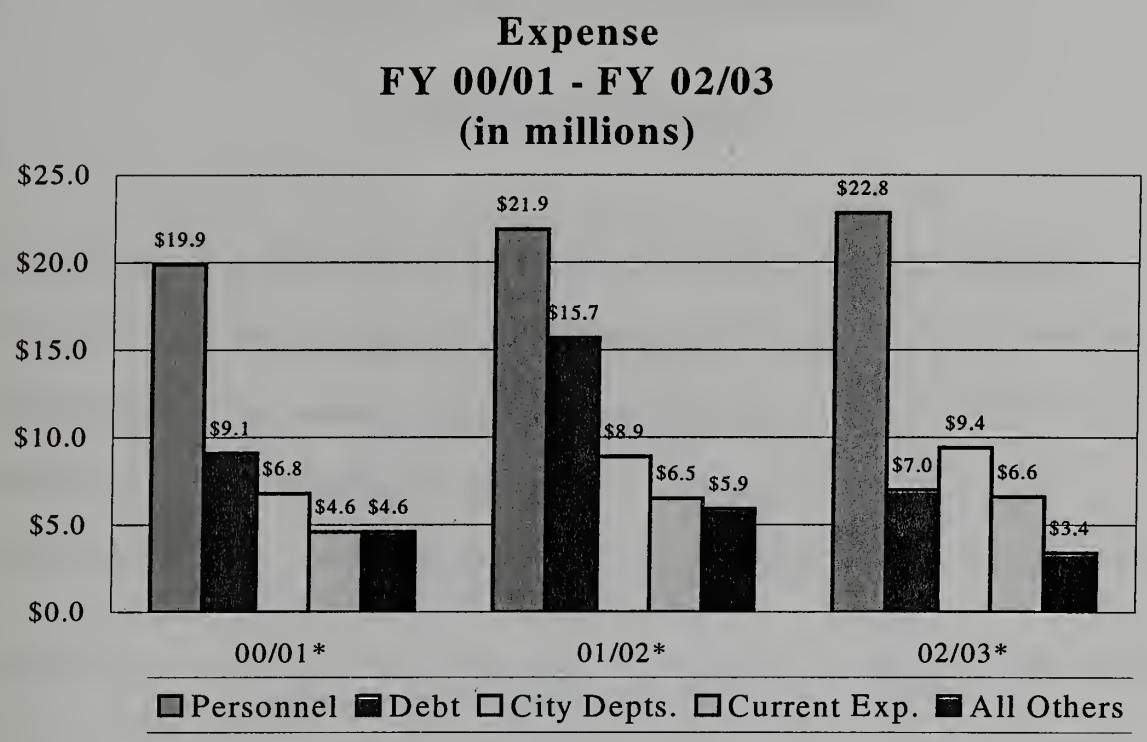
- Materials & Supplies are projected to decrease by $588,594 or 29%. This is based on staff evaluation of needed materials and supplies and the Port's effort to contain cost.

- Capital Outlay is projected to decrease by $1,141,425, or 97%, primarily because the Port is not requesting for new equipment or vehicles.

- The services of other City Departments will increase by $483,119, or 5%. This increase is primarily due to the increased insurance premium and projected increase in workers compensation.

- Other Services increased $374,391, or 22% primarily as a result of $385,000 budgeted for the Department of Building Inspection for building inspection services for the Ferry Building development project.

Expense for a three-year period is as follows:



*Budget

Port staff recommends that the Commission adopt the annual operating budget and authorize the Executive Director to make non-material changes to the budget as may be necessary. Non-material changes are generally technical adjustments to the budget, not policy changes. Examples of non-material changes include updates to the budget for salaries and fringe benefits as City-wide MOU's are finalized or adjustments to work order amounts with other City departments as cost estimates are finalized. Once the Mayor's Office and the Board of Supervisors finalize the budget, staff will report to the Commission regarding the adopted budget, detailing all changes made by staff, the Mayor and the Board.

Prepared by: Karen V. Clopton

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-05

WHEREAS, staff has developed a Fiscal Year 2002/032 operating budget; and

WHEREAS, the operating budget includes projected revenues of $49,172,500; and

WHEREAS, the operating budget includes projected expenses of $49,158,309; and

WHEREAS, the operating budget includes projected surplus of $14,191; and

WHEREAS, the operating budget must also be approved by the Mayor and the Board of Supervisors; now therefore, be it

RESOLVED, that the Port Commission hereby approves the Fiscal Year 2002/03 operating budget as presented by staff; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to make non-material changes to the operating budget as may be necessary.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 12, 2002.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

February 5, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of the Fiscal Year 2002/03 Capital Plan

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION FOR ADOPTION AND APPROVAL OF FISCAL YEAR 2002/03 CAPITAL PLAN

Attached is the Fiscal Year 2002/03 Capital Plan for review and approval by the Port Commission. The Plan provides Port funding in the amount of $5,872,000 for capital projects. The 2002/03 Capital Plan will be funded out of the Port's unappropriated operating fund balance.

	(in millions)
Funds Available:	
• Surplus from 2000/01 Operations	$2.8
• Partial closeout of the Pier Upgrade Project	2.7
• Partial closeout of the Dredged Material Rehandling Site Project	0.4
Total	$5.9
Funding Allocation:	
• 2002/03 Capital Plan	$5.9

This Print Covers Calendar Item No. **4B**

Port staff proposes to use the $5,872,000 in available funding for the following projects:

Project	2002-03 Capital Plan Funding	Previous CP or Other Funding	Unfunded Amount	Total Project Cost
Fisherman's Wharf:				
Pier 35 Repairs and Improvements	450,000	0	0	450,000
Pier 35 South Fender Replacement	300,000	0	0	300,000
Southern Waterfront:				
Pier 80 Fender Repair	100,000	600,000	150,000	850,000
Amador Street Forced Sewer Main	325,600	0	199,400	525,000
Portwide Projects:				
Dredge Testing	400,000	0	0	400,000
Maintenance Dredging	2,700,000	0	0	2,700,000
Special Area Plan	1,596,400	1,535,000	0	3,131,400
Total Funded Projects	$5,872,000	$2,135,000	$349,400	$8,356,400

Staff also recommends the inclusion of the following projects in the 2002/03 Capital Plan as unfunded:

Project	Project Cost
Fisherman's Wharf:	
Wharf J-10 Removal and Replacement	4,693,000
Fire Suppression System for Wharfs J7 & J8	473,000
Wharf J-3 Demolition	474,300
Pier 45 Stormwater/Wastewater Improvements	840,000
Pier 45 Barge & Accessible Ramp	200,000
Pier 45C Apron Repairs	1,550,000
Pier 43½ Arch Lighting	110,000
Pier 35 Gutter and Ridge Cap Replacement	198,500
Pier 35 Galley and Column Repair	125,000
Pier 35 Substructure Rehabilitation	4,700,000
Fisherman's Wharf Street Lighting Improvements Phase II	440,000
Repair of Roadway and Seawall at Embarcadero and Taylor Street	1,908,200
Roadway Pavement and Sidewalk Construction - Jefferson Street	893,000
Northeast Waterfront:	
Pier 33 Painting Project	770,000
Pier 33 Roof Replacement	879,000
Pier 23 Substructure Repairs	1,000,000
Pier 15/17 Roof Replacement	776,000

Project	Project Cost
Northeast Waterfront:	
Pier 9 Inside Water Main	302,000
Pier 9 North Apron Improvements	2,012,000
Roundhouse Exterior Painting	407,100
Ferry Building Area:	
Pier ½ and Ferry Plaza Lighting Retrofit Project	95,000
Downtown Ferry Terminal Project - Additional Work Items	455,000
Ferry Building Commission Room	995,000
South Beach:	
Pier 24 Removal	1,604,000
Pier 24 Annex & Pier 26 Bulkhead Painting Project	106,800
Pier 26 Window Replacement Project	88,500
Pier 26 Window and Door Painting	387,000
Pier 26 North Apron Repair	125,000
Pier 26 Annex & Pier 28 West Bulkhead Painting Project	103,900
Pier 26 Annex Exterior Painting & Repair Project	93,000
Pier 28 Bulkhead Exterior Painting Project	62,000
Brannan Street Wharf	13,000,000
Pier 36 Demolition and Removal	2,000,000
Pier 38 Substructure Repair	3,350,000
Pier 50 Administration Building Boiler Replacement	50,000
Pier 50 Admin. Bldg. Exterior Paint	110,000
Pier 50 Admin. Bldg. Renovation	167,000
Pier 50 B&C Abatement & Painting	1,520,000
Pier 50 Bulkhead Repair	290,700
Pier 50D Abatement & Repainting	850,000
Southern Waterfront:	
Dry Dock #1 Disposal Project	800,000
Pier 80 Admin Renovation	160,000
Pier 80 Admin Roof Replacement	118,840
501 Cesar Chavez Restroom Renovation	600,000
Repair & Modernization of Pier 90	4,100,000
Amador Street Extension	1,000,000
Amador Street Repaving	275,000
Dumpsite Closure at Pier 94	4,415,000
High Mast Lighting Pier 94-96	600,000
Pier 96 HVAC Replacement	204,800
Drydock Piledrivers and Barge	350,000
Portwide Projects:	
Development Project Related Construction Costs	100,000
Total Station Surveying Instrument	37,200
Lighting and Control Project	120,000
Portwalk Design	100,000
Total Unfunded Projects	$61,184,900

The following projects have been completed since approval of the 2001/02 Capital Plan:

Project	Project Cost
Fisherman's Wharf:	
Hyde Street Harbor	6,140,500
Pier 35 Rolling Door Replacement	63,000
Pier 45 East Apron Repair	77,528
Ferry Building Area:	
Pier 1 - Furniture, Fixtures & Equipment	4,008,800
Income Property Improvements - Agriculture Building	279,000
South Beach:	
China Basin Park Shoreline Stabilization	821,050
Portwide Projects:	
Portable Fender System	197,000
Total Completed Projects	$11,586,878

The following schedules are included in the attached Capital Plan:

- Capital Plan Summary — summarizes the capital project priorities.
- Project Descriptions — provides descriptions of all capital projects.
- Funding Available — identifies funding available for 2002/03 capital projects.
- Project Status Summary — provides a spending status report of previously approved capital and maintenance projects according to the City's FAMIS system.
- Five Year Plan — summarizes the estimated spending plan for capital projects over the next five years.
- Funding Source — identifies the source of funds allocated to new and on-going projects.
- Grant Summary — lists grants related to capital projects.
- Forms — a compilation of the forms necessary for internal approval and control.

The 2002/03 Capital Plan will be submitted to the Mayor and the Board of Supervisors for approval. Please see the attached 2002/03 Capital Plan for more detail. Based on the Port's available funds and the need for capital projects as identified by staff, Port staff requests that the Commission approve the Fiscal Year 2002/03 Capital Plan as developed and proposed by staff.

Prepared By: Lawrence Brown, Financial Analyst

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-06

WHEREAS, The Port has $5,872,000 in the Operating Fund; and

WHEREAS, The next priorities identified in the Capital Plan are:

- Pier 35 Repairs and Improvements
- Pier 35 South Fender Replacement
- Pier 80 Fender Repair
- Amador St. Forced Sewer Main
- Dredge Testing
- Maintenance Dredging
- Special Area Plan

WHEREAS, Port staff has identified these capital projects as priority areas which warrant allocation of funding; now therefore be it

RESOLVED, That the Port Commission authorizes the funding of $5,872,000 to fund these projects which have been designated as having the highest priority; and, be it further

RESOLVED, That the Executive Director is hereby authorized to cancel or postpone any funded project due to unforeseen future events or circumstances which may arise after approval of the 2002/03 Capital Plan; and, be it further

RESOLVED, That projects included in the 2002/03 Capital Plan that have been approved, but not funded, will be brought before the Port Commission for funding authorization, should funding become available; and, be it further

RESOLVED, That the Port Commission approves the 2002/03 Capital Plan as developed by staff and attached to the staff report dated February 5, 2002, accompanying this resolution; and, be it further

RESOLVED, That staff is directed to submit the 2002/03 Capital Plan to the Mayor and Board of Supervisors for approval.

I hereby certify the foregoing resolution was adopted by the Port Commission at its meeting of February 12, 2002.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

February 6, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Brian McWilliams
Hon. Denise McCarthy
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Proposed Illinois Street Freight Rail and Truck Bridge Project – Commission Hearing to Receive Public Comments

ACTON: No Action, Receive Public Comments

Summary
The Port proposes to construct the Illinois Street Freight Rail and Truck Bridge, to create a direct transportation connection over Islais Creek, between the North and South Cargo Terminals. This memorandum provides a detailed description of the Bridge project and funding requirements, regulatory requirements, and construction schedule. In addition, this staff report outlines the Port's extensive engineering analysis and community outreach efforts to develop a project that responds to public questions and concerns. In response to public request, the Port Commission has scheduled a public hearing on February 12, 2002 to receive public comments on this important Port maritime project.

Project Description
The Port of San Francisco began planning the Illinois Street Rail/Vehicle Bridge in the mid-1980's as part of its efforts to improve the North and South Cargo Terminals on Piers 80, and 94-96. Recognizing that efficient transportation access by train and truck is essential to successfully marketing and operating terminals, the Port proposed that the Bridge extend Illinois Street over Islais Creek to provide an efficient inter-terminal connection. At that time, the Port also recognized that such a Bridge would reduce traffic on Third Street, particularly at Cargo Way, which today is considered to be even more desirable because Third and Cargo Way have been identified as an important gateway to Bayview Hunters Point.

This Print Covers Calendar Item No. **5A**

F OF SAN FRANCISCO
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Port engineering staff have carried out substantial engineering, design and cost estimate studies to develop a conceptual design for the Illinois Street Rail/Vehicle Bridge. The proposed Bridge will be approximately 31 feet wide, providing two lanes for vehicle traffic, and a single freight railroad track running down the center of the bridge. Vehicle traffic on the Bridge will be temporarily cleared when freight trains are crossing the Bridge. Vehicle traffic will be able to travel from Illinois Street on the north side of Islais Creek to a new roadway constructed on Port property on the south side of the Creek, which will connect with existing Amador Way and Cargo Way. The Bridge lanes would be open to bicycles, however there are no pedestrian sidewalks proposed on the Bridge.

Due to extensive fundraising efforts and bridge design research, the Port has found that there are possible bridge designs that are fully moveable, that is, they can be mechanically opened to provide full vessel access westward along Islais Creek. In its closed position, the Bridge will maintain a clearance equal to that provided by the Levon Hagoop Nishkian Drawbridge on Third Street, located immediately to the west. The most restrictive clearance would be three feet at high, high water level, still sufficient to allow kayaks, outrigger canoes and other hand-powered craft to pass with the Bridge closed. A rendering of a proposed conceptual design for the Bridge is presented in *Attachment A*. The estimated cost of the Bridge is $11 million. The specific bridge design and cost will be determined in a competitive Design/Building bid process.

Port Engineering staff have endeavored to design the placement of the Bridge to minimize the amount of street space occupied and preserve truck loading access to the industrial building across from Pier 80 at 1800 Illinois Street, while still allowing connection to the rail tracks in Illinois Street. The Bridge would occupy the easternmost portion of the 80-foot wide Illinois Street right of way.

The Bridge will require permits from BCDC, the U.S. Coast Guard, and U. S. Army Corps of Engineers.

Project Purpose

The Port has invested over $50 million in the development and maintenance of the North and South Marine Terminals at Pier 80 and Pier 94-96. Fundamental to any modern terminal is the need to provide freight rail and truck access to allow goods to be shipped through as quickly as possible. While these Port terminals are fully-serviced, able to accommodate container and non-containerized cargo, and thus marketable to wide variety of customers, Pier 80 does not have optimal freight rail access. The Pier 94-96 terminal enjoys direct freight rail service from the south, via the Quint Street lead. However, today, freight rail service to Pier 80 is possible only via a circuitous route that requires freight trains to travel north into Mission Bay before they can access tracks on Illinois Street and reverse south to Pier 80. The Illinois Street Rail/Vehicle Bridge, included in the Port's cargo terminal modernization plan in the 1980's, cures this constraint by providing a direct connection over Islais Creek from rail tracks serving Pier 94-96 to the Illinois Street rail tracks on the north side of Islais Creek. From there, freight trains would be able to directly access Pier 80, resulting in a much shorter, quicker and cheaper route than the existing Mission Bay route.

Attachment B shows the existing freight rail route to Pier 80, as compared to the route with the

Illinois Street Rail/Vehicle Bridge. With the Bridge, the distance between the Quint Street lead and Pier 80 would be 0.66 miles, versus 3.3 miles along the existing route through Mission Bay. The shorter rail route will take far less time, since there will be fewer street grade crossings and less reliance on the street right of way. Traffic hazards and conflicts between railcars, automobiles, bicycles and pedestrians will also be reduced, thus increasing operational safety and efficiency. These benefits of rationalizing freight rail service to Pier 80 also were discussed and endorsed by the Bay Conservation and Development Commission (BCDC), in its extensive review and approval of the Mission Bay Plan. The Bridge would realize objectives of BCDC's Seaport Plan and, because it would result in elimination of the need for tracks in Mission Bay's Bayfront Park, it also meet another important BCDC objective of improving public access quality in Mission Bay.

In addition to improving access to Pier 80, the bridge will improve the efficiency between the North and South Cargo Terminals. The rail distance between the Terminals will be reduced from approximately four miles to approximately 0.2 miles. The bridge will provide a direct rail link between Pier 80 and the Intermodal Container Transfer Facility (ICTF, a freight rail yard that allows cargo to be transferred between ships and rail without leaving the terminal) along Cargo Way. In addition, trucks and vehicles using the Bridge between the terminals and to Cesar Chavez Avenue will relieve and distribute traffic otherwise destined for Third Street and Cesar Chavez via Cargo Way.

The Port has seen increasing interest from prospective maritime tenants that wish to locate at Pier 80 and would be inclined to use rail service. The high level of traffic congestion of Bay Area freeways and bridges that occurs during much of the business day has increased transportation costs of trucking, thus highlighting the benefits of improved rail efficiency if the Illinois Street Bridge is built. In addition, there is concern that construction of the MUNI Third Street light rail transit line, approved by the City, will greatly constrain commercial and industrial short-haul trucks serving businesses in the southeast area of the City, because it will require the removal of two travel lanes on Third Street. The Bridge would therefore not only improve the viability of freight rail, it also would provide an alternate vehicle route for commercial and industrial businesses in the area.

Funding

The estimated construction cost of the current Bridge design is $11 million. Until relatively recently, the Port's efforts to secure full funding had been unsuccessful. In 2000, the Port secured $4.5 million in transportation grant funds approved through the San Francisco Transportation Authority. Another $2.5 million in project funding has been provided by Catellus Development Corporation, pursuant to the Mission Bay Infrastructure Plan approved by the City. Under the Infrastructure Plan, the $2.5 million funding is available for a limited duration; if the Port does not commence with the Bridge project by November 2003, Catellus will no longer be obligated to provide the funding. In Fall 2001, the Port negotiated with Catellus to secure an additional $1.8 million. The remaining $2.2 million in funding will be provided through Port capital funds and the rest by revenues from new Port leases in the Southern Waterfront.

Community Outreach

Over the years, the Port has maintained its efforts to realize the Illinois Street Rail/Vehicle

Bridge, to aggressively seek and secure funding, and to work with the community to shape the project and build support. In the early and mid-1990's, the Port proposed a "lift-segment" bridge design, wherein a crane would have been required to lift a bridge section away to allow passage by large vessels. Due to funding constraints and the fact that the portion of Islais Creek west of the Third Street Bridge no longer is used for maritime cargo vessel berthing, the Port did not believe that the significant extra cost of a self-powered moveable bridge was justified. Public comments and concerns from the Friends of Islais Creek, other recreational boating interests, and the Fire Department supported the Bridge idea, but insisted that a fully moveable design be found to preserve the option for possible future access by large vessels or tall sailboats. In response, the Port's engineering staff secured consultants to assist the Port in analyzing a wide variety of bridge designs and costs. After researching bridge designs in the field, staff was able to find examples of moveable bridge designs at much lower costs than drawbridge and other bridge designs previously analyzed. The Port then focused on securing the additional necessary funding to move forward on the project as it is now proposed.

The Illinois Street Bridge was one of several Port projects analyzed in the Southern Waterfront Supplemental EIR (SEIR), which was certified in February 2001. Prior to publication of the SEIR in September 2000, the City held public scoping meetings to review the projects and land uses that were to be analyzed, including the Illinois Street Rail/Vehicle Bridge.

Once the Port had secured full project funding, Port staff stepped up its community outreach efforts to provide information about the project, and to solicit and respond to community comments. Below is a list of meetings organized or attended by Port staff to address the Illinois Street Bridge project. All Port meetings were noticed, and the Port expanded its outreach on its most recent community meeting by mailing notices to property owners within 0 .5 mile of the Bridge site, as well as to those that attended previous community meetings.

Date	**Group/ Meeting Sponsor**
7/30/01	Southern Waterfront Advisory Committee (SWAC)/ Port
8/1/01	Maritime Commerce Advisory Committee (MCAC)/Port
8/4/01	Muwekma Ohlone Park Community/ David Erickson
8/20/01	SWAC/ Port
9/6/01	Southern Waterfront Community at Pier 80/ Port
9/12/01	MCAC/Port
9/17/01	SWAC/ Port
9/ 25/01	Port Commission hearing, action to preserve Mission Bay funding option/ Port
9/25/01	Central Waterfront Community – Better Neighborhoods Planning Workshop/ San Francisco Planning Department
10/10/01	MCAC/Port
10/10/01	Pier 70 Advisory Group/ Port
10/15/01	1800 Illinois Street Owner & Tenants/ Port

10/22/01	Bayview Hunters Point Project Area Committee (BVHP-PAC) Land Use Committee/ BVHP PAC
11/5/01	1800 Illinois Street Owner & Tenants/ Port
11/14/01	MCAC/Port
12/18/01	Southern Waterfront Community at Pier 1/ Port
1/16/01	BVHP Community- MUNI Third Street Light Rail and Nearby City Projects/ BVHP Community and MUNI

On August 20, 2001, the Southern Waterfront Advisory Committee (SWAC) approved a motion to recommend support of the Illinois Street Bridge, but requested staff to 1) convene at least two additional meetings with the community; 2) investigate ways to provide safe pedestrian and bicycle access; and 3) investigate the possibility of restricting through traffic on the Bridge. On September 25, 2001, the Port Commission expressed support of the Bridge project, and also directed staff to conduct further community meetings.

On September 12, 2001, the Maritime Commerce Advisory Committee approved a motion recommending support of the Bridge.

Most of the public comments received since then have been generated by the owner and tenants of the warehouse on 1800 Illinois Street, adjacent to the proposed Bridge. Some of these tenants have been involved in planting the shoreline adjacent to the south side of the Pier 80 terminal, which site has been proposed for further improvement as an open space tribute to the Muwekma Ohlone people. Accordingly, special meetings with these stakeholders were held to address their concerns and conduct additional engineering and alternative site studies. Recently, the Port received a letter from the owner of 1800 Illinois Street indicating that he no longer opposes the Bridge project. The following is a summary of the key issues of concern raised in the various community meetings and the Port's response to each of the issues. More detailed information about the Bridge project, contained in meeting minutes and community correspondence is available for public review at the Port's office.

Concern: Does the bridge need to include vehicular traffic as opposed to just rail access? Due to the fact that rail access to Pier 80 is poor, transportation access to that facility has been almost exclusively by truck. Even with the Bridge constructed, today's marine terminals cannot operate exclusively by freight rail and must provide efficient truck access to maintain viability. The Port's Maritime staff has attended the majority of the community meetings to explain this fact, and answer questions about the relationship between the Illinois Street Bridge and the Port's maritime terminals. In addition, the Southern Waterfront SEIR identifies the Bridge as a traffic mitigation measure that would relieve future congestion at the Third Street/Cargo Way intersection by providing a second access route to Cesar Chavez Avenue and I-280.

Concern: Could the proposed bridge be shifted to the east, aligned with either Michigan Avenue or the MUNI utility duct bank? The Port analyzed several alternative alignment and rail configurations. The constraints with the Michigan Avenue alignment are 1) new rail tracks would not align with the existing tracks in Illinois Street without acquiring private property; 2) increased project costs by $2.5 to 3.7 million; 3) it would cross through and thus hinder or

preclude efforts to improve the shoreline adjacent to Pier 80, including those supported by advocates of the Muwekma Ohlone open space. With respect to the MUNI duct banks (construction of conduits crossing Islais Creek to provide power to the Third Street Light Rail), the Port must maintain a minimum distance from those MUNI (and additionally, Hetch Hetchy Water and Power) utility lines. The current Bridge alignment location is designed to meet that minimum distance requirement, plus provide a limited additional margin of separation of about 10 feet. A summary table comparing the various Bridge alignments is provided in *Attachment C.*

Concern: Can the bridge be vertically aligned so that it would not limit truck access to the 1800 Illinois Street Building? The Port realigned the Bridge so that 40-50 feet of the street right-of-way will remain clear to allow access to 1800 Illinois Street by all types of vehicles and trucks. Earlier bridge design concepts included a retaining wall in the street right of way, which would have hampered or precluded loading access by large rigs transporting containers. In discussions with the owner of 1800 Illinois Street, the Port is negotiating modifications that would raise the entire street grade to be flush with the building entrances, eliminating the need for a retaining wall, and therefore any impediment to truck loading by trucks of all sizes.

Concern: Will the bridge reduce the number of parking spaces in the vicinity of the proposed bridge? The Port conducted a parking space survey of the area and developed a parking re-striping program that preserves the existing number of on-street parking spaces on Illinois, between 25th Street and Islais Creek.

Concern: Would the proposed bridge limit access or interfere with either Tulare Park or the Muwekma Ohlone Open Space? Tulare Park, located on the north side of Islais Creek, between Illinois and Third Streets, would remain as is and access to it will not be altered. Public access to the shoreline bank on the south side of Pier 80, which may be developed as the Muwekma Ohlone Open Space, is proposed to be provided via a pedestrian walkway on the western edge of Pier 80, running parallel to Illinois Street, from Marin Street to Islais Creek. Specific planting and landscape designs for this embankment have yet to be defined.

Concern: Will the proposed bridge have a bicycle lane? There are no dedicated bicycle lanes proposed in the Bridge design, but bicyclists will be able to share the vehicle lanes as long as a train is not present. The existing Bay Trail uses the Third Street Bridge as the dedicated route, which will remain.

Concern: Will the proposed Bridge significantly increase the diesel emissions in the area, particularly in the vicinity of the 1800 Illinois Street Bridge? The Port agreed with and supported the initiative taken by the Planning Department to incorporate into the SEIR an air quality analysis that far exceeded what is usually included in other EIR's. The SEIR air quality analysis, therefore, included a separate modeling effort to evaluate the effects of diesel emission on public health in the southeast area of the City and concluded that the increase in diesel emissions associated with potential future development would not exceed the significance threshold for diesel particulates. Subsequent to completion of the Final SEIR, Port staff directed its environmental consultant, ESA Associates, to conduct additional site-specific diesel emission analysis on occupants of the 1800 Illinois Street building. That analysis, which is discussed in detail in *Attachment D* concludes that even given a series of conservative (worst-case)

assumptions, diesel emission levels would not be considered significant under current regulatory standards.

In the most recent Illinois Street Bridge community meeting held by the Port in December 2001, several members of the public requested that the Port Commission hold a hearing to receive public comments. Accordingly, the Commission will hold a public hearing for this purpose on February 12, 2002.

Concern: How does the Illinois Bridge project relate with other public projects occurring in the southeast area of the City? The Port is working closely with MUNI, Department of Public Works, Department of Parking and Traffic regarding the following nearby projects that are approved, and scheduled for construction: 1)MUNI Metro East; 2) Illinois Street repaving between 25th Street and Cesar Chavez; 3) MUNI Third Street Light Rail (including the seismic retrofit of the Levon Hagoop Nishkian Drawbridge on Third Street); Sewage line and shoreline open space repairs currently underway resulting from rupture during construction of MUNI Duct Banks. With respect to Items 1 and 2, the Port has been working with MUNI to coordinate construction and compatible operation of separate freight rail and light rail trackage and signalization. In addition, the Port has been working with the Department of Public Works to pave Illinois Street on a schedule consistent with the MUNI Metro East facility, and consistent with Illinois paving, gutter and sidewalk improvements to be performed by the Port for the Illinois Street Bridge. With respect to Item 3, MUNI and the Port have attempted to coordinate construction scheduling between the Illinois Bridge and Third Street Bridge seismic retrofit. Upon learning that the Illinois Street Bridge could not be completed in time for MUNI to close the Third Street Bridge for repairs, MUNI adjusted its construction process and has committed to carry out the seismic retrofit without closing the Bridge to daytime traffic. With respect to Item 4, the MUNI duct bank repairs, MUNI and its contractor are taking the lead in working with the Port, Public Utilities Commission agency and David Erickson to provide compensation for the property damage created by this unfortunate incident.

Environmental Impact Analysis

As described above, the Illinois Street Rail/Vehicle Bridge was analyzed in the Southern Waterfront Supplemental EIR (SEIR), certified in February 2001. The SEIR did not find any significant adverse environmental impacts associated with the Bridge and in fact identified the bridge as a traffic mitigation measure that would relieve congestion otherwise projected for Third Street. The SEIR identified construction mitigation measures for the proposed Bridge that are typical for construction work in the water along the San Francisco Bay. Construction may not occur during herring season and "Best Management Practices", as determined by regulatory agencies (including Regional Water Quality Board, Coast Guard, Fish and Wildlife) are utilized to minimize turbidity of the water and prevent any construction materials debris from entering the Bay. Landside construction mitigations include "watering" the job site to reduce dust emissions, using filters to minimize erosion, and to monitor construction water run-off. Traffic signals will be installed at the intersections of Illinois Street and Marin Streets, and Cargo and Amador Streets to mitigate traffic circulation.

Project Timeline

The schedule for the Illinois Street Rail/Vehicle Bridge is presented below:

- September 25, 2001 – Port Commission approves framework for bridge construction.
- September 2001 –January 2002 – Due diligence and Community Outreach
- March 2002 - Deadline for Commission authorization of Catellus $1.8 million project funding contribution
- March, 2002 – Port Commission authorizes RFP to pre-qualify Design/Build firms to design and construct the Bridge
- October – November, 2002 - Select Design Build Firm
- November, 2002 – March, 2003 – Develop Bridge design and construction drawings
- January, 2003-August 2003 – Obtain required entitlements including from BCDC, US Coast Guard, and US Army Corp of Engineers.
- March, 2003 – October, 2003 – off site construction
- August 2003 – January, 2004 – on site construction
- February 2004 - Bridge construction completed

Prepared by: Diane Oshima, Manager, Waterfront Planning
David Beaupre, Waterfront Planner V

Attachments:
A – Illinois Bridge artist rendering
B – Map of existing and proposed rail route
C – Summary table comparing alternative Bridge alignments
D – Letter regarding diesel emission analysis for 1800 Illinois Street

EXHIBIT A

ARTIST INTERPRETATION OF THE PROPOSED CONCEPT FOR THE ILLINOIS STTREET BRIDGE

EXHIBIT B
VEHICULAR & RAIL ACCESS
PROPOSED ILLINOIS STREET BRIDGE
LEGEND
PROPOSED BRIDGE LOCATION
EXISTING RAIL ROUTE TO PIER 80 (3.3 MILES)
NEW RAIL ROUTE TO PIER 80 WITH PROPOSED BRIDGE (.66 MILES)
GENERAL ROUTE OF TRUCK TRAFFIC WITH PROPOSED BRIDGE
PORT
scale is approximate
U.S. Postal Service
Cargo Way
PORT OF SAN FRANCISCO INTERMODAL CONTAINER TRANSFER FACILITY (I.C.T.F.)
Islais Creek
PORT OF SAN FRANCISCO NORTH CONTAINER TERMINAL
PORT OF SAN FRANCISCO SOUTH CONTAINER TERMINAL
Heron's Head Park
Third Street
Interstate 280
TRUCK ROUTE TO 101
TRUCK ROUTE TO I-280
BAY OF SAN FRANCISCO

Comparison of Bridge Alignments

November 5, 2001

EXHIBIT C

	Michigan Alignment A	Michigan Alignment B	Illinois Alignment
Construction Cost (estimated)	$14.7 million	$13.5 million (cost for razing bldg, etc. not included)	$11 million
Land Acquistion Req'd?	No	Yes; cost and schedule impacts unknown. Significant schedule impacts may put funding at risk	No
Bay Fill Req'd (estimated)	16,200 s.f.	14,700 s.f.	11,600 s.f.
Muwekma Ohlone Park	Takes away shoreline area from shorelineoriented park; potential post-construction negative effects on habitat; access to remaining area of park is restricted from Illinois.	Takes away shoreline area from shorelineoriented park; potential post-construction negative effects on habitat; access to remaining area of park is restricted from Illinois.	Retains full park area while modifying access point from Illinois.
Traffic Access from South of Creek	Amador Street, access from Cargo Way restricted	Amador Street, access from Cargo Way restricted	Access can be designed from Cargo Way, as well as Amador
Rail Access	New tracks required north and south of creek; less rail access flexibility than Ill alignment	New tracks required north and south of creek; less rail access flexibility than Ill alignment	
Truck queueing space and movements	Cesar Chavez, WB to freeway, queuing is greater than w/Ill alignment; movements across CC (no signal here) could conflict with trucks queuing for entrance to Pier 80.	Cesar Chavez, WB to freeway, queuing is greater than w/Ill alignment; movements across CC (no signal here) could conflict with trucks queuing for entrance to Pier 80.	Allows for greater queuing of trucks entering Pier 80.
Truck loading to Spencer Building	Unaffected	Unaffected	Ill St regrade could create at-grade access to building (at all docks) and truck access across full width of street if necessary.
Port Lease Revenues Impact s	North: $293,000 /year loss South: $62,000 / year loss	North: $254,000/year loss South: $62,000 / year loss	North: None South: $32,000 / year loss
Parking	No net change in # of spaces (relocation of spaces on Marin)	No net change in # of spaces (relocation of spaces on Marin)	No net change in # of spaces (relocation of spaces on Illinois between creek and Marin)
Vehicular Traffic Movements	Requires additional turning movements (2) to continue NB on Illinois.	Requires additional turning movements (2) to continue NB on Illinois.	Direct access NB on Illinois

EXHIBIT D

ESA

MEMORANDUM

TO • Dianne Oshima
Johanna Evans

FROM • Bob Vranka

DATE • December 12, 2001

SUBJECT • Air Quality Impacts at Warehouse on Illinois Street

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This memorandum describes the air quality impacts of particulate matter emissions at a nearby warehouse from trucks that would be traveling on the proposed Illinois Street bridge. The modeling that was carried out for this analysis supplements the previous modeling that was carried out in the Southern Waterfront Supplemental EIR which was certified in 2001. The EIR analyzed the impacts of diesel emissions on residential locations in the Bayview/Hunters Point neighborhood. Specialized modeling techniques are needed to simulate the complex air flow patterns around buildings in order to accurately estimate ambient air concentrations at these nearby locations. The methods that were used in the analysis and the impacts are described below.

The prevailing wind direction in the area is from the West, which means that particulate matter (dust) emissions from trucks traveling over the Illinois Street bridge will usually be transported out over the Bay and away from the warehouse. However, the airflow patterns immediately surrounding the warehouse building can be modified by the structure, and can cause re-circulation of some of the air near the building. For the past 30 years, EPA and other institutions have been conducting wind tunnel studies of air flow around buildings, and have determined that immediately downwind of a building a cavity can be formed which can re-circulate the air back near the building, before eventually being transported downwind. Any pollutants that are released into the cavity are uniformly mixed because of the turbulence induced by the building.

The EPA SCREEN3 model contains algorithms for calculating concentrations near buildings. These algorithms were derived from wind tunnel tests, and they are dependent on the building size and shape and its configuration relative to the wind. The SCREEN3 model was used to calculate concentrations of toxic diesel exhaust emissions at the edge of the building from the diesel trucks. These emissions were analyzed, because the California Office of Environmental Health Hazard Assessment (OEHHA) has determined particulate matter emissions from diesel engines to be carcinogenic. Estimates were also made for exposure to total particulate matter (road dust), based on the modeling results. Emissions from diesel exhaust and from dust caused by the truck traffic were derived from the average daily truck traffic on the proposed bridge and were determined in the previous analysis.

Since diesel particulate matter is a suspected carcinogen, the main issue is the long-term average (chronic) exposure to exhaust fumes. Epidemiological studies have concluded that chronic exposure (which under the worst case assumes a person is exposed to diesel exhaust of a given air concentration constantly for a 70 year lifetime) can lead to cancer. Based on this assumed exposure duration, OEHHA has established a unit risk value for diesel exhaust, which is the probability (or risk) that a

person could contract cancer. If a person were exposed to that concentration for a shorter duration, the probability of contracting cancer would be reduced accordingly.

For example, a worker who might be exposed to a given concentration for 40 hours per week over a 40 year working career, while being away from the exposure during the remainder of the time, would have a probability or risk of contracting cancer that is about 86% lower than the constant exposure for 70 years.

The SCREEN3 model calculates maximum short-term average concentrations (1-hr. average). These levels were then converted to annual average concentrations which were then combined with the OEHHA Unit Risk value to determine the health risks. The SCREEN3 model cavity calculations (attached) indicate that the maximum annual average concentration of diesel exhaust at the edge of the building (outdoors) from expected traffic on the bridge is 0.015 micrograms per cubic meter. Using the cancer potency value (unit risk), as established for diesel exhaust of 3×10^{-4}/microgram per cubic meter by OEHHA, the maximum incremental risk is estimated to be 4.5 in a million. An incremental risk from a single project is considered to be significant if the incremental health risk exceeds 10 in a million. This is in the context of the average total risk of contracting cancer from other causes, which exceeds 200 thousand in a million.

The incremental risk estimate of 4.5 in a million is very conservative, and actual risks would be much lower. This estimate assumes that a person would constantly be at the worst case receptor (outside of the building) for 70 years. Concentrations inside the building would be considerably lower, especially because particles would be blocked from entering the building . EPA studies have shown that, for buildings with closed windows and no air intake fans, about 90% of the particulate matter would be prevented from entering the building (i.e., indoor concentrations would be 10% of outdoor levels). For buildings with forced air intake ventilation or with open windows, the indoor concentrations would be about 30% of outdoor levels. Therefore indoor concentration would be much less than calculated outdoor concentrations.

As stated above, dust can also be generated as the trucks are traveling on the paved road. These emissions, which are not carcinogenic, can occur from the entrainment of road dust and from tire and brake wear. Studies reported by California Air Resources Board (CARB) indicate that these emissions are about 12.8 times greater than particulate matter emissions from diesel exhaust. However, dust has not been considered to be carcinogen. Instead, exposure to levels much higher than diesel exhaust can cause respiratory problems.

The estimated short-term average (daily) and long-term average (annual) dust concentrations at the building edge from truck traffic were calculated by the SCREEN3 model to be 0.5 and 0.2 micrograms per cubic meter, respectively. These levels compare with the State ambient air Standards of 50 micrograms per cubic meter and 30 micrograms per cubic meter for total ambient air concentration exposure. The Bay Area Air Quality Air District (BAAQMD) has established thresholds for determining if a project's incremental contribution would be significant. These threshold levels are 5.0 micrograms per cubic meter (24-hr average) and 1.0 micrograms per cubic meter (annual average). Since the calculated contributions of 0.5 and 0.2 micrograms per cubic meter are much lower than the significance thresholds, the impacts would be less than significant.

PORT OF SAN FRANCISCO

MEMORANDUM

January 28, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation regarding the Brannan Street Wharf Project.

DIRECTOR'S RECOMMENDATION: REVIEW PRESENTATION OF PROGRESS ON DEVELOPMENT OF A CONCEPT DESIGN FOR THE BRANNAN STREET WHARF OPEN SPACE AND RECEIVE PUBLIC COMMENT.

BACKGROUND:

The Port and the Bay Conservation and Development Commission (BCDC) have both called for the development of the Brannan Street Wharf (the Wharf) when these two agencies reached an historic agreement in July, 2000, establishing consistent policies for the San Francisco waterfront in the Port and BCDC's plans. The Wharf is identified as a major neighborhood and destination open space, in the Port's Waterfront Land Use Plan, in BCDC's amended Special Area Plan, and in the San Francisco General Plan - Northeastern Waterfront Area Plan.

Brannan Street Wharf would be a new open space defining the center of the South Beach neighborhood. It would replace the dilapidated Piers 34 and 36 and be 57,000 square feet of new pier extending out over the water. It is located on The Embarcadero Promenadc between Pier 30-32 and Pier 38.

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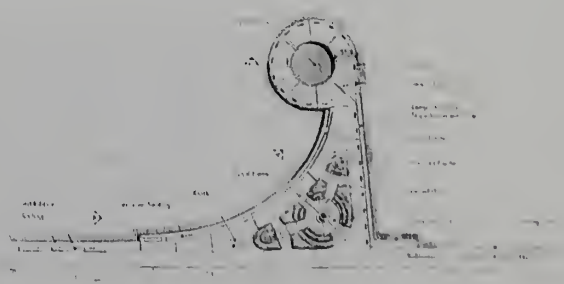
The Brannan Street Wharf was also identified in the State legislation passed in 2001 (SB 1215) regarding development of Pier 30-32 for the cruise terminal project. As per that legislation, funds for the Brannan Street Wharf are required to be fully encumbered prior to a BCDC permit being issued for the cruise terminal project, and the construction of the Wharf must be completed prior to the cruise terminal project becoming operational. Previously, the Port/BCDC agreement anticipated construction of the Wharf to be within 15-20 years from the cruise terminal construction.

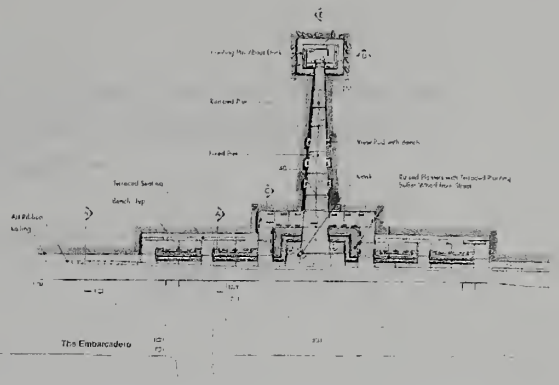
The first phase of the Wharf is to work with the public to develop a concept design to submit to the Port Commission and the BCDC Commission for their consideration. The Port working with BCDC, is currently conducting a public planning process for the Brannan Street Wharf. A citizens advisory committee (CAC) was formed in July 2001, with representatives from the South Beach/Rincon Point Citizens Group, other residents, merchants, and a variety of interest groups representing a broad mix of local and regional view points (see attachment A for a list of CAC members). The Port hired a consultant team led by Economic Research Associates with Sasaki Associates as the lead urban designer to develop the concept design. The team has provided expertise in the public planning process, engineering evaluation, landscape architecture and economics. To date the Port has conducted four CAC meetings and three public workshops. In addition, the project is to be reviewed at a joint meeting of BCDC's Design Review Board and the Waterfront Design Advisory Committee on February 11. CAC members are to be a key part of the presentation to the design review committees.

Design Alternatives

The public planning process began by developing a list of potential uses that might occur at the Wharf. The uses were then tested in a variety of potential designs that were first narrowed to six alternatives and then to three. The three alternatives presented below and attached, were then further developed and cost estimates were prepared based on preliminary engineering feasibility. The CAC strongly prefers the A1 and A2 alternatives, however, a third alternative continues to be presented to illustrate the wide variety of available design options. The three alternatives are briefly described below and will be presented in greater detail at the Commission meeting.

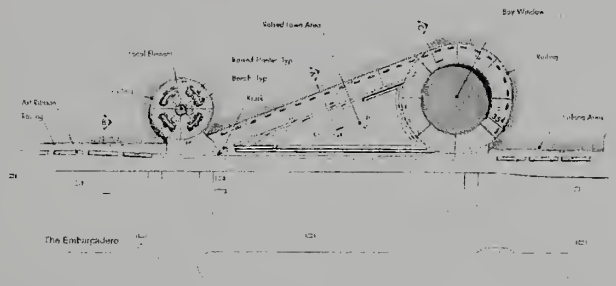
A1 – is an asymmetrical "hook" shaped pier that reflects the proposed shape of the cruise terminal pier. It would extend about 375-feet out from the wharf and be about 150-feet wide at its outer end. Most of the pier would be hard surfaced and available for seating, strolling, viewing and other informal activities.
Two options for the area closest to the Promenade are being explored: one would be a simple sloped lawn area and the other would be an arrangement of planters and seating. The pier would have a stepped-down edge along its north side for seating, and would have a ramp down to a kayak landing area adjacent to the Promenade along its south edge.





A2 – is a formal shaped structure with a floating platform at its outer most point. There would be a widened wharf area for about 600-feet along the Promenade that would have planters and seating oriented toward both the Bay and the Promenade. The pier would extend out a total of about 370-feet to a floating platform at its end. The pier would slope gently down from the wharf for about 150-feet and then become a hinged ramp for the remaining easterly 100-feet to meet changing tidal conditions. At the end would be a 60 by 80-foot float. The float would allow visitors to feel the movement of the Bay, accommodate kayak landing, and provide a different perspective (slightly above water level) of the Bay than the surrounding wharves and piers.

C2 – provides an expanded open space along the Promenade that extends out 150 to 175-feet from the wharf. It would run about 600-feet along the Promenade with a circular form at each end and a triangular lawn area in the middle. Strolling and seating could occur along the entire perimeter and in the lawn area, which would be over 200-feet in length. This alternative does not include kayak access.



All three alternatives anticipate that the wharf area adjacent to the Promenade between Piers 30-32 and 38 would be removed and reconstructed to a lesser width than its existing approximately 20-feet. Reconstruction of the wharf was not considered in earlier project descriptions for the Brannan Street Wharf, nor were the costs of reconstruction.

Next Steps

Revisions will be made to the alternatives based on comments from the joint design review meeting on February 11, and the Port Commission review. Concept level cost estimates will also be prepared. Presentations will be scheduled in March with the South Beach/Rincon Point Citizen Advisory Committee and with the San Francisco Planning and Urban Research Association (SPUR). The CAC will then be asked to recommend a preferred alternative and the project will return to another joint design review meeting of BCDC's Design Review Board and the Waterfront Design Advisory Committee for

recommendation of a preferred alternative. Later this spring, we anticipate the Port Commission and the BCDC Commission will be asked to consider approval of a preferred concept design for the Brannan Street Wharf.

Submitted by: Dan Hodapp
Senior Waterfront Planner

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Attachment A

Brannan Street Wharf
Project Participants

Citizens Advisory Committee:
Aditya Advani
Michael Alexander, San Francisco Beautiful
Janet Curtis, The Trust for Public Land
Chris Degenhardt
Carl Ernst, Pier 38 Maritime
Alfonso Felder, San Francisco Giants
Richard Forst, South Beach Yacht Club
Ellen Johnck, Bay Planning Coalition
Redmond Kernan, San Francisco Planning & Urban Research
Karen Kho, Urban Ecology
Jeffrey Leibovitz, Rincon Point/South Beach CAC
David Lewis, Save San Francisco Bay
Mary Anne Miller, San Francisco Tomorrow
Milton Marks, III, Friends of the Urban Forest
Felicity Mason, Lend Lease Development
Judith Patterson, Rincon Point/South Beach CAC
Arlene Rodriguez, Golden Gate National Parks Assoc.
Fay Shamanski, Bay Access
Mimi Silbert, Delancey Street Foundation
Vicki Simon, Rincon Point/South Beach CAC
Michael Sweet, Rincon Point/South Beach CAC
Paul Warenski, Rincon Point/South Beach CAC
Beverly T. Wilson, Rincon Point/South Beach CAC

Project Staff:
Dan Hodapp, Port of San Francisco
Joe LaClair, BCDC
Anne Buell, California State Coastal Conservancy

Consultant Team:
Economic Research Associates – feasibility analysis
Sasaki Associates – project management, urban design and landscape architecture
Real Estate Planning Strategies – public outreach
Han-Padron Associates – marine engineering
Olivia Chen Consultants – civil engineering
Arcost – cost estimating

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SAN FRANCISCO
PORT COMMISSION

FEBRUARY 12, 2002
MINUTES OF THE REGULAR MEETING

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MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. DENISE McCARTHY
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
FEBRUARY 12, 2002

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 4:05 p.m. The following Commissioners were present: Michael Hardeman, Denise McCarthy, and Brian McWilliams. Commissioners Brandon and Lee were not present.

2. APPROVAL OF MINUTES - January 22, 2002 Regular Meeting

ACTION: Commissioner McCarthy moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor. The minutes of the January 22, 2002 were adopted.

3. EXECUTIVE

A. Executive Director's Report

- Port Security State Legislation – On February 5, 2002, Peter Dailey and Taline Sanassarian attended a meeting in Sacramento convened by Assemblywoman Kehoe and organized by the California Association of Port Authorities (CAPA) regarding her introduction of AB 1782 which proposes the issuance of $350 million dollars in General Obligation bonds to fund port and harbor security needs. Also in attendance were representatives from Ports of San Diego, Long Beach, Los Angeles, Oakland, Stockton, Sacramento and Hueneme. Each Port was given an opportunity to present their unique perspectives regarding current and forthcoming regulations on Port security, especially the immediate and potential increase of costs following the September 11th attacks and the impacts it has had on the operating budgets. Assemblywoman Kehoe's intention with this proposed bond money is to help fund one-time capital nuts-and-bolts-type investments such as fencing, lighting, video cameras and security vehicles. At her request, each Port submitted a cost estimate for upgrading Port security based on forthcoming Federal regulations. The Port of San Francisco estimated those upgrade costs to equal $24.6 million. Currently, on the Federal legislative level, the Port of San Francisco and all ports are looking to the Port Security Act as well as newly appropriated grant funding by the Department of Defense, to assist with the costs. Assemblywoman Kehoe understands the concern regarding the costs associated with the upcoming regulatory mandates, which is why she is hoping to help defray some of those expenses with this $350 million G.O. bond specifically for California Ports to supplement any Federal funding. The Ports and CACA will be assisting Assemblywoman Kehoe in working with her colleagues to move this bill forward in a timely fashion through this legislative session. If it passes the State legislature, it would then go to the voters in the November election.

4. OPERATIONS

A. Request approval of the Port's 2002/03 Operating Budget. (Resolution No. 02-05)

Chief of Operations Karen Clopton presented the item and requested Commission's approval. Ms. Clopton indicated that the proposed revenue budget of $49.2 million for FY 02/03 reflects a $9.7 million decrease or 16% below the FY 01/02 budget. Miscellaneous revenue is projected to decrease by $8.4 million or 99.9% due to the effect of a one-time transfer in July 2001 of $8.7 million in funds from the Port's unappropriated fund balance. These funds were appropriated in the FY 01/02 budget and used to repay the entire outstanding balance of a bank loan which the Port incurred in 1997 to finance the relocation of the Port's maintenance department and other commercial tenants from Pier 46 to Pier 50 and to purchase a 3.5 acre site needed for the Pac Bell Park development.

The proposed FY 02/03 expense budget of $49.2 million is a $9.7 million decrease or 18% below the prior fiscal year. The major changes in the FY 02/03 expense budget over the prior fiscal year are in Salaries & Benefits, Other Current Expenses, Materials & Supplies, Facilities Maintenance, City Attorney and Other Services. Salaries & Benefits are projected to increase $817,059, or 4%, as a result of adjustments: MOU, step increases, etc. Staff is not recommending any new positions in FY 02/03. Materials & Supplies are projected to decrease by $588,594 or 29%. This is based on staff evaluation of needed materials and supplies and the Port's effort to contain cost. Capital Outlay is projected to decrease by $1,141,425, or 97%, primarily because the Port substantially reduced its equipment request and is not requesting new vehicles. The services of other City Departments will increase by $483,119, or 5%. This increase is primarily due to an increase in insurance premiums and a projected increase in workers compensation.

Commissioner McWilliams commented about the severe restraints in the Port's income but was pleased that our priority is to keep existing staff. It is now more important than ever to spend money on training employees and marketing and promoting the Port.

Ms. Clopton indicated that the promotional budget was increased by $50,000 over the current fiscal year.

Commissioner Hardeman thanked staff for the excellent briefing the Commission received regarding the budget.

Rick Dickerson, Rincon-South Beach CAC, noted the absence of funding for noise, trash mitigation, traffic management plan and security issues for Pac Bell Park and the importance of those issues for their neighborhood and the City. He asked the Commission to continue to support maintaining the measures currently in place and keep an open communication with their CAC through Port staff as issues continue to arise with funding, mitigation, transportation and security measures at Pac Bell Park.

Jeffrey Leibovitz, member of Rincon Point-South Beach CAC, echoed Mr. Dickerson's statements. Pac Bell Park has been a major success because of the hard work of the citizens of the City and the residents of South Beach. He noted that the Port has not

allocated any money in the budget for the necessary services. The Port has no legal obligation to tend to mitigation but the City does. He emphasized that the money has to be allocated so as not to jeopardize the success of the Pac Bell Park. Security is paramount especially since the September 11 attacks.

Michael Sweet, Rincon Point-South Beach CAC, thanked the Commission for their hard work and trusts that the Commission would do the right thing for the community.

Jennifer Clary, SF Tomorrow, asked for a copy of the budget. She was concerned about the 97% decrease in capital outlay and 35% decrease in facilities maintenance.

Karen Clopton indicated that while there are questions regarding the $500,000 that was on reserve last year by the Board of Supervisors for City services during Giants game at Pac Bell Park, it was her understanding that the payment for those services were not negotiated during the initial ballpark negotiation. The Giants position is that they were not required to pay for anything. Since September 11th, she has been involved at a Citywide Security Task Force. Security costs have added a significant amount of burden to the Port's budget process. Mr. Wong reported earlier about a meeting organized by Assemblywoman Kehoe regarding Port security. Each port was asked to submit a cost estimate for upgrading cost security based on forthcoming Federal regulations. The Port of San Francisco estimated those upgrade costs to equal $24.6 million for various capital improvements. Port staff is working diligently through the Mayor, our Congressional and State representatives, as well as the Port Commission and other City departments to ensure that we receive appropriate funding for security measures at the Port. The Port Security Act and grant funding through the Department of Defense as well as the potential $350 million in bonds proposed by Assemblywoman Kehoe are our current points of focus for the essential funding. We cannot and should not at this point allocate funding that is specific to this particular issue when we have to look at City service and security measures on a Portwide basis as well as the Port's role in Citywide security issues.

In terms of maintenance issues and the capital plan, the Port had a one-time influx of capital funding into its capital budget for last year which allowed funding for some of the projects for the current fiscal year. However, this year, there is a limited amount of available funding for the capital planning. The Port currently has $3 million in pier repair funds in the current fiscal year capital budget. Staff is trying to maintain as well as seek federal and State funding for its infrastructure needs.

Commissioner McWilliams commented that the new requirements for the Maritime Port Security would be costly not just for our port but for all ports in the country. The cost would probably be transferred to the users. He urged staff to work hard legislatively to ensure that the costs would be borne by some other entity. If the rates would go up, cargo business would be forced to go to Canada and Mexico. Since this is a national security issue, it is important that it would be funded and paid for within that fashion.

ACTION: Commissioner McCarthy moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; Resolution No. 02-05 was adopted.

B. Request approval of the Port's 2002/03 Capital Plan. (Resolution No. 02-06)

Chief of Operations Karen Clopton presented the item and requested Commission's approval. Ms. Clopton indicated that the Capital Plan provides for funding for $5,872,000 for Port capital projects. The Capital Fund will be funded out of the Port's unappropriated operating fund balance: $2.8 million is from cash surplus from FY 2000/01 operations; $3.1 million is from the partial closeout of 2 Port projects (the crane upgrade project and the dredged materials rehandling site project).

New capital projects for 2002/03 include:

- 2 projects totaling $750,000 for the Port's Cruise terminal facility at Pier 35.
- $100,000 in additional funding for the repair of the fender system at Pier 80, the Port's cargo facility. $600,000 was originally allocated but current estimate of cost is $850,000. Additional funding will allow completion of repairs to the most seriously deteriorated portions of the fender system.
- $325,600 for the installation of a new forced main sewer system from the Amador Street pump station to DPW's manhole at 3rd Street.
- 2 projects totaling $3.1 million to fund maintenance dredging and necessary dredge testing at Fisherman's Wharf, the Cruise Terminal at Pier 35 and Piers 80 and 92.
- $1.6 million which represents the Port's FY 2002/03 contribution to the BCDC Special Area Plan fund. These funds provide the necessary financing for pier removals and specific public access improvements required under the BCDC San Francisco Waterfront Special Area Plan.

Jeffrey Leibovitz thanked the Commission for putting the Brannan Street Wharf project on its radar screen. The project is exciting and it would be a wonderful addition to the neighborhood.

Jennifer Clary indicated that last year's capital budget included a 2-year funding for a pier survey. She wanted to make sure that the second year funding of the survey project is included in the operating or capital budget. She asked about the Port's projected reserves for this fiscal year.

Karen Clopton replied that the Port currently maintains 25% of the budget on reserves and have no intention to tap into its operating reserves.

Commissioner Hardeman thanked staff for the excellent presentation to the Commission.

ACTION: Commissioner McCarthy moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; Resolution No. 02-06 was adopted.

5. PLANNING & DEVELOPMENT

A. Informational Presentation and Public Hearing on the Illinois Street Rail/Vehicle Bridge.

Diane Oshima, Planning & Development, indicated that the Port proposes to construct the Illinois Street Freight Rail and Truck Bridge to create a direct transportation connection over Islais Creek, between the North and South Cargo Terminals. The Port began planning the Illinois Street Rail/Vehicle Bridge in the mid-1980s as part of its

efforts to improve the North and South Cargo Terminals on Piers 80, and 94-96. Recognizing that efficient transportation access by train and truck is essential to successfully marketing and operating terminals, the Port proposed that the Bridge extend Illinois Street over Islais Creek to provide an efficient inter-terminal connection. The proposed bridge will be approximately 31 feet wide, providing two lanes for vehicle traffic and a single freight railroad track running down the center of the bridge. Vehicle traffic on the Bridge will be temporarily cleared when freight trains are crossing the Bridge. Vehicle traffic will be able to travel from Illinois Street on the north side of Islais Creek to a new roadway constructed on Port property on the south side of the Creek, which will connect with existing Amador Way and Cargo Way. The Bridge lanes would be open to bicycles, however there are no pedestrian sidewalks proposed on the Bridge.

The estimated construction cost of the current Bridge design is $11 million. Until relatively recently, the Port's efforts to secure full funding had been unsuccessful. In 2000, the Port secured $4.5 million in transportation grant funds approved through the San Francisco Transportation Authority. Another $2.5 million in project funding has been provided by Catellus Development Corporation, pursuant to the Mission Bay Infrastructure Plan approved by the City. Under the Infrastructure Plan, the $2.5 million funding is available for a limited duration; if the Port does not commence with the Bridge project by November 2003, Catellus will no longer be obligated to provide the funding. In Fall 2001, the Port negotiated with Catellus to secure an additional $1.8 million. The remaining $2.2 million in funding will be provided through Port capital funds and the rest by revenues from new Port leases in the Southern Waterfront.

The Illinois Street Bridge was one of several Port projects analyzed in the Southern Waterfront Supplemental EIR (SEIR), which was certified in February 2001. Prior to publication of the SEIR in September 2000, the City held public scoping meetings to review the projects and land uses that were to be analyzed, including the Illinois Street Rail/Vehicle Bridge.

Once the Port had secured full project funding, Port staff stepped up its community outreach efforts to provide information about the project, and to solicit and respond to community comments. There were approximately 17 meetings organized or attended by Port staff to address the Illinois Street Bridge project. All Port meetings were noticed, and the Port expanded its outreach on its most recent community meeting by mailing notices to property owners within 0 .5 mile of the Bridge site, as well as to those that attended previous community meetings.

Chief Harbor Engineer Nita Mizushima provided the Commission with the schedule for the Illinois Street Rail/Vehicle Bridge:

- September 25, 2001 – Port Commission approves framework for bridge construction.
- September 2001 –January 2002 – Due diligence and Community Outreach
- March 2002 - Deadline for Commission authorization of Catellus $1.8 million project funding contribution
- March, 2002 – Port Commission authorizes RFP to pre-qualify Design/Build firms to design and construct the Bridge
- October – November, 2002 - Select Design Build Firm
- November, 2002 – March, 2003 – Develop Bridge design and construction drawings
- January, 2003-August 2003 – Obtain required entitlements including from BCDC, US Coast Guard, and US Army Corp of Engineers.

- March, 2003 – October, 2003 – off site construction
- August 2003 – January, 2004 – on site construction
- February 2004 - Bridge construction completed

Ms. Oshima noted that on August 20, 2001, the Southern Waterfront Advisory Committee (SWAC) approved a motion to recommend support of the Illinois Street Bridge, but requested staff to 1) convene at least two additional meetings with the community; 2) investigate ways to provide safe pedestrian and bicycle access; and 3) investigate the possibility of restricting through traffic on the Bridge. On September 12, 2001, the Maritime Commerce Advisory Committee approved a motion recommending support of the Bridge. On September 25, 2001, the Port Commission expressed support of the Bridge project, and also directed staff to conduct further community meetings.

Most of the public comments received since then have been generated by the owner and tenants of the warehouse on 1800 Illinois Street, adjacent to the proposed Bridge. Some of these tenants have been involved in planting the shoreline adjacent to the south side of the Pier 80 terminal, which site has been proposed for further improvement as an open space tribute to the Muwekma Ohlone people. Accordingly, special meetings with these stakeholders were held to address their concerns and conduct additional engineering and alternative site studies. Recently, the Port received a letter from the owner of 1800 Illinois Street indicating that he no longer opposes the Bridge project. A summary of the key issues of concern raised in the various community meetings and the Port's response to each of the issues are included in the staff's report to the Commission.

The following individuals opposed the proposed Illinois Street Rail/Vehicle Bridge:

- Paul McConnell spoke on behalf of the arts community. They were concerned about the public process and the economic considerations of this project. He appealed to the Commission to slow down the fast track to ensure that all considerations were taken into effect.
- Francisco Da Costa, Muwekma Ohlone Tribe, indicated that he spoke about this issue on several occasions. Some of the constituents set aside a park called the Muwekma Ohlone Park which will be adversely impacted by Muni construction. The park would be totally destroyed. He asked that the constituents get a good picture of the soil assessment, the blueprint about this bridge and to engage in a dialog with them.
- Peter Joal indicated that his business operation would be severely impacted by traffic. He encouraged the Commission to look at Alignment B.
- David Erickson, Muwekma Ohlone Sanctuary, claimed that staff was not truthful about the 17 community meetings as stated in the staff report when in fact, there were only three meetings held. There was not enough community process. The air quality study done by ESA was not applicable to the project. He asked the Commission to build the bridge at a different Port location.
- Joe Betts-LaCroix,, OQO, thinks that the bridge is a bad idea.
- Nick Merz, OQO, was concerned about the vehicle traffic. He indicated that the Port has not taken into consideration the relentless traffic in front of their building.

The following individuals support the construction of the proposed Illinois Street Rail/Vehicle Bridge:

BCDC. The purpose of this project is to come up with a vision, a shared community vision of what the open space should be.

Owen Lang, Sasaki Associates, indicated that the public planning process began by developing a list of potential uses that might occur at the Wharf. They decided that it would be a place for people to come out to the waterfront, be attractive and be part of the community. Even though they knew that it is going to be a regional space because of its location and its neighbor, the cruise ship terminal. With these uses in mind (water access for kayaks, fishing, etc.), they wanted it to benefit the most people. He presented the following three alternatives. He emphasized that the schemes could be modified and enhanced.

- A1 – is an asymmetrical "hook" shaped pier that reflects the proposed shape of the cruise terminal pier. It would extend about 375-feet out from the wharf and be about 150-feet wide at its outer end. Most of the pier would be hard surfaced and available for seating, strolling, viewing and other informal activities. Two options for the area closest to the Promenade are being explored: one would be a simple sloped lawn area and the other would be an arrangement of planters and seating. The pier would have a stepped-down edge along its north side for seating, and would have a ramp down to a kayak landing area adjacent to the Promenade along its south edge.

- A2 – is a formal shaped structure with a floating platform at its outer most point. There would be a widened wharf area for about 600-feet along the Promenade that would have planters and seating oriented toward both the Bay and the Promenade. The pier would extend out a total of about 370-feet to a floating platform at its end. The pier would slope gently down from the wharf for about 150-feet and then become a hinged ramp for the remaining easterly 100-feet to meet changing tidal conditions. At the end would be a 60 by 80-foot float. The float would allow visitors to feel the movement of the Bay, accommodate kayak landing, and provide a different perspective (slightly above water level) of the Bay than the surrounding wharves and piers.

- C2 - provides an expanded open space along the Promenade that extends out 150 to 175-feet from the wharf. It would run about 600-feet along the Promenade with a circular form at each end and a triangular lawn area in the middle. Strolling and seating could occur along the entire perimeter and in the lawn area, which would be over 200-feet in length. This alternative does not include kayak access.

Mr. Lang indicated that fishing could be incorporated in any one of the schemes. The joint design review meeting held last night offered some new additional considerations and they will review those recommendation and will continue to work with the CAC members.

Michael Alexander, SF Beautiful, indicated that the dominant ideas that emerged are for people to enjoy the views and to get on the water. The following were comments made at last night's meeting:

- It should be South Beach Bay, not South Beach Park.
- Less is more; they don't have to utilize the maximum space available.
- They were concerned about the asymmetrical designs.

- Continuing maintenance must be built into the project.
- The kayak landing was favorably endorsed. The pier should be long and skinny.
- There is hunger in the neighborhood for green space but a debate continues.
- There was near or universal agreement that the mechanics of the water or hydrology should be apparent on this site.
- There was little support for Alternative C.

Since this is a community based planning effort, he asked that professional critiques should be brought into the citizens planning effort earlier than later.

Jeffrey Leibovitz, member of the CAC, indicated that last night's meeting was very productive. One of the goals is to develop a town center in conjunction with the cruise terminal. This project would provide a gathering plaza in the community.

Paul Nixon, Bay Access, apprised the Commission of the status of the bay water trail project they are currently working on. They plan to extend the trail around San Francisco and Brannan Street would be a perfect site for this project.

Commissioner McCarthy thanked everyone involved on this project. She was pleased that everyone is working well together and the design of the project has improved.

Commissioner McWilliams reminded the consultant that the Port is working under the financial constraints of its budget. He asked that they keep that in mind with respect to the cost of the project.

Commissioner Hardeman echoed the comments of the Commissioners. He added that the presentation was great. He was pleased with the community's involvement in the project.

6. NEW BUSINESS/PUBLIC COMMENT

Jennifer Clary, Alliance for A Clean Waterfront, spoke about the accident that happened last week. One of the key components of their agreement in the Southern Waterfront involves enforcement. She was pleased that Port staff handled the situation immediately and was also pleased that the Port tenant, Mr. Ramirez, acknowledged and apologized for the accident as well as promised to work with staff to remedy the situation.

Jennifer Clary, Northeast Waterfront Advisory Committee, noted that Anne Halsted, chair of the committee, sent a letter to the Commission regarding the Pier 27-31 project. February 15th is another milestone for the Mills Corporation's exclusive agreement to develop the site. One of the key components at this stage is Item 10a of the Port's 13 conditions and requirements of the project. She reminded the Commission that this is a recreational development project. Mills' proposal to date still does not meet the criteria of recreational development since the ancillary uses are still larger than the recreational use. She asked the Commission to ensure that this aspect of the project is fulfilled prior to moving forward with the project.

7. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner McWilliams moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

At 6:15 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER (Discussion and Action Item)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1case):

- Claimant National Railroad Passenger Corporation dba Amtrak v. City and County of San Francisco. San Francisco Administrative Claim No. 02-04198, filed December 24, 2001. (Discussion and Action Item)

Discussion and approval of proposed settlement of administrative claim seeking damages of $29,143.89 as a result of water intrusion and flooding in premises leased to the claimant. Proposed settlement for payment of $29,143.89 in exchange for claimant's full release and dismissal of claims.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*MTC: Jim Wiltshire

b. Property: Pier 45 Shed A
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Red & White Fleet: Tom Escher
This item was taken off the calendar.

c. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

d. Property: The Ferry Building
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Ferry Building Investors, LLC: Terry Reagan

e. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

f. Property: Pier 70 Opportunity Area
Person Negotiating: Port: Byron Rhett, Director of Planning & Development

*AMB: Luis Belmonte
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany

g. Property: Francisco Bay Office Park
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*SKS: Paul Stein

8. RECONVENE IN OPEN SESSION

At 8:45 p.m., the Commission withdrew from executive session and reconvened in open session.

Commissioner McCarthy disclosed that the Commission unanimously approved Item 7B 1a, the settlement of administrative claim of National Railroad Passenger Corporation dba Amtrak v. City and County of San Francisco in the amount of $29,143.89.

Commissioner McCarthy also disclosed that the Commission unanimously approved Item 7B 2c, authorizing the Executive Director to extend the exclusive negotiation agreement deadline with the Mills Corporation for an additional 30-day period ending March 15, 2002.

ACTION: Commissioner McCarthy moved approval to not disclose any other information discussed in executive session; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 8:48 p.m.

- Robin Chiang, Friends of Islais Creek, indicated that the bridge is necessary in order to improve the viability of that part of the Port.
- Jim Wiltshire, Marine Terminals Corporation, expressed his company's support for the bridge.
- Leif Gistrand, Metropolitan Stevedores, also expressed his company's support for the bridge.
- Richard Mead, ILWU Local 10, urged the Commission to make this project a reality as it would provide hundreds of union jobs.
- Frank Riley, ILWU Local 34, indicated that the bridge would improve and maintain the maritime industry. It would improve rail access to and from Pier 80/92/94/96 and ICTF. It would improve customer service by removing vehicles and congestion on third Street and outlying areas.
- David Gavrich, LB Railco, indicated that the bridge would provide a viable service to and from Pier 80, increasing marketing opportunities for maritime at Pier 80.
- Charlie Walker, addressing a former speaker's remarks regarding Port staff not holding enough community meetings, confirmed that Diane Oshima did in fact organized several community meetings regarding the bridge. He urged the Commission to move this project forward and thanked Doug Wong, Diane Oshima, and the Commission for their vision.
- Julia Viera, Friends of Islais Creek Founder, indicated that they approve of the bridge but the design of the bridge needs work. The bridge should open as easily as the existing bridge because it is a federal waterway. With regard to public access, green and open space, they have raised millions of dollars in partnership with industries and other agencies such as the Port, DPW, Muni, and Public Utilities Commission. The City needs infrastructure, public access and beautiful access and support for the Copra Crane Labor Landmark.

Kathryn Hanson requested that notices should be sent out to the public two weeks or more in advance to give them ample time to respond.

Bruce McBride, Resident/Dolphin Swim Club, commented that there's real problem with smell at the channel where a bridge is being proposed. He asked that this issue be addressed as well.

Ricardo Ramirez, Pacific Cement, apologized for the mishap that happened around his leased Port property. He assured the Commission that it was an accident and they are working with Port staff to remedy the situation.

Commissioner McCarthy asked if any buildings in the vicinity would be destroyed and whether people or businesses would be asked to move to accommodate the bridge. Ms. Oshima confirmed that there would be no displacement of people or businesses. The building will not be destroyed.

Commissioner McCarthy commented that in industrial areas such as this area, noise and traffic is paramount. Having the bridge in the area would not make it as quiet as it is now but she believes that both can co-exist.

Commissioner McCarthy asked for clarification about a testimony that the bridge would drive arts community out of the City and the artists would be economically impacted.

Nic Merz replied that their building collects a lot of diesel emissions from the vehicles and is a health hazard to the tenants. It would shut down their businesses and forced them to move out of the building and out of the City.

Commissioner McWilliams commented that he takes exception to any idea that the staff presentation was not honest. There has been a tremendous amount of outreach and energy put into the process to get every bit of community input and this has gone on for many years. This is a proposal that was part of a maritime revitalization plan earlier than 1985 when there was a proposal to make a larger terminal before the logistics problems of moving containers to and from the rail yards which put San Francisco at a huge disadvantage. This rail is not about competing with Oakland for container traffic, it is a completely different business. This is about rail access for niche cargoes that are not going to the Port of Oakland. If they don't come to the maritime community in the Bay Area, which is an economic engine that has a huge impact in the whole community, they will go somewhere else. Every time a maritime issue comes up, another attack on maritime materializes that ultimately puts the Port in a disadvantage. The critical mass we need to maintain our maritime community could be gone before anybody realized that the collective impact of our decisions has driven a stake through the heart of maritime. We will not be able to recover any maritime business if we don't consider the impact of maritime industrial jobs on our regional economy. There has not been an argument against the bigger issue of keeping the pier open and providing the resources we need. So, give the Port the ability to provide the stevedores and the maritime community the tools to bring business to the Port. Granted, the concerns that have been identified are real and they need to be addressed. We need to work together to mitigate those issues whether they are fumes or people's ability to engage in their business. Staff has done a great job not only with outreach but putting a program together that is solid. In this case, it answers the issues of the railroad, Mission Bay, Catellus, the Port, the City, labor and the greater community, all representing real people who will ultimately reap the benefits of having jobs and economic activity at the Port.

Commissioner Hardeman echoed Commissioner McWilliams' comments that staff has done a great job in its outreach efforts. He trusts that staff would work with the community to address their concerns.

B. Informational Presentation regarding the Brannan Street Wharf Project.

Mr. Dan Hodapp, Planning & Development, indicated that the planning process for this project commenced last July. Brannan Street Wharf would be a new open space defining the center of the South Beach neighborhood. It would replace the dilapidated Piers 34 and 36 and be 57,000 square feet of new pier extending out over the water. It is located on The Embarcadero Promenade between Pier 30-32 and Pier 38. A citizens advisory committee (CAC) was formed in July 2001, with representatives from the South Beach/Rincon Point Citizens Group, other residents, merchants, and a variety of interest groups representing a broad mix of local and regional view points. The Port hired a consultant team led by Economic Research Associates with Sasaki Associates as the lead urban designer to develop the concept design. To date the Port has conducted four CAC meetings and three public workshops. On February 11, the Port held a joint meeting of BCDC's Design Review Board and the Waterfront Design Advisory Committee. Staff received substantial feedback from the design committees. Staff will return at a future date to seek Commission's approval for the concept design as well as seek approval from

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SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 26, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - February 12, 2002 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - Pier 1 -- 2001 Building Awards by London's Royal Institute of Chartered Surveyors
   - Dedication of "Al Scoma Way"

4. **MARITIME**

   A. Informational presentation and public hearing regarding proposed lease and terminal agreement with RMC Pacific Materials at Pier 80. (Staff report provided to the Commission.)

5. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

6. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.

This session is closed to any non-City/Port representative. *

a. Property: Piers 1-½, 3 & 5
Person Negotiating: Port; Kirk Bennett, Assistant Director of Planning & Development
*San Francisco Waterfront Partners, LLC: Simon Snellgrove

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 1-½ , 3 & 5.

b. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at the Bryant Street Pier.

c. Property: Pier 70 Opportunity Area
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*AMB Property Corporation: Luis Belmonte
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 70.

7. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

8. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

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FEBRUARY/MARCH 2002
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
February 26	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
March 12	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
March 26	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every other month on the second Wednesday at 11:30 a.m. in Bayside 1 @ Pier 1. Contact Person: Jill Simpson @ 274-0519. The next meeting is scheduled in March; however, it will be held on the first Wednesday due to schedule conflicts. Therefore, the next MCAC meeting is scheduled on Wednesday, March 6, 2002 at 11:30 a.m.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

February 21, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong DW
Executive Director

SUBJECT: Proposed Industrial Maritime Lease with RMC Pacific Materials at Pier 80 – Public Hearing.

DIRECTORS'S RECOMMENDATION: Informational Presentation - No Action Required

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BACKGROUND

In the late 1990's, the Port was approached by a number of prospective tenants with proposals to lease real property in the Southern Waterfront for a variety of maritime and industrial uses. Proposals have been made by RMC Pacific Materials, Bode Gravel Company/Mission Valley Rock, British Pacific Aggregates Corporation (Hanson), ISG Resources, Inc., Grosvenor Bus Lines, Inc., and Waste Management, Inc. (hereafter "The Industry Group"). Outside of the Industry Group, the Port received a proposal from Pacific Cement Company. The proposed uses include: marine bulk cargo terminals, concrete ready-mix facilities, bulk cargo storage, a tour bus maintenance and repair facility, and a construction materials recycling facility.

STATUS OF PROPOSED LEASES

RMC Pacific Materials: RMC has proposed leasing up to 118,583 square feet of open land and approximately 5,000 square feet of shed space (equal to about 4% of the total site) at the Port's Cargo Terminal at Pier 80, for use as a maritime bulk cargo terminal and concrete ready-mix facility. This would be a relocation of their facility currently located at Third Street and Mariposa. RMC expects to import approximately 200,000 tons of aggregate per year by barge and 50,000 tons of cement per year by rail.

This Print Covers Calendar Item No. **4A**

RMC and its predecessor companies have operated concrete ready-mix facilities within the City of San Francisco for over 80 years. RMC currently operates a concrete ready-mix facility on Third Street in the vicinity of Mariposa, which is within the boundaries of the Catellus Mission Bay development project. RMC is anticipating relocation from their site in the near future, since the proposed Mission Bay development does not include this use.

RMC is interested in continuing its operations in San Francisco because of the numerous local construction projects such as the Mission Bay Development projects, UCSF Campus Facility, Downtown Ferry Terminal, Third Street Light Rail Extension and the Caltrans Bay Bridge and other seismic retrofits, all of which will require the services of concrete ready-mix services.

The proposed Pier 80 site meets the operational needs of RMC and the Port. This is in accord with the Maritime Cargo and Industrial Land Use Study, which identifies bulk building materials such as cement, sand, gravel and other aggregate products as targeted cargo for maritime revenue generation.

RMC proposes to handle and store cement and aggregate products from ships, barges, trucks and trains to support the operation of a concrete ready-mix plant. A major component of RMC's plan is to construct a new enclosed conveyor system, which will unload bulk aggregate materials from barges and ships. The aggregate would then be moved by the enclosed conveyor system on-site to an enclosed aggregate storage building that RMC will construct. RMC also proposes to deliver cement to the site by rail, thus re-activating regular rail service to the Pier 80 facility. The proposed ready-mix plant will mix the cement and aggregate materials to produce ready-mix concrete. The ready–mix concrete would then be transported by truck to local job sites.

ISG Resources, Inc: ISG has made a proposal to lease approximately 100,000 square feet of real property which includes the grain silos located at Pier 90, for the import, storage and transloading of materials such as fly ash and slag. These materials are used for blending with cement. It now appears that ISG has lost interest in this proposal and will probably not pursue a lease with the Port.

The RMC and ISG proposals to handle building materials such as cement, sand, gravel and other aggregate products is consistent with Port policies for the Southern Waterfront.

Grosvenor Bus Lines, Inc: Grosvenor proposes to lease approximately 28,030 square feet of shed space, 300,000 square feet of paved land and 13,870 square feet of office space at Pier 96, for the operation of a tour bus maintenance and repair facility. Grosvenor won the rights to negotiate a 10-year lease for this site through a Request for Proposals process. This use is considered to be an acceptable interim use for the site.

Waste Management Inc: WMI has proposed to lease approximately 42,000 square feet of shed space and 39,000 square feet of open land located at Pier 70, for use as a construction debris recycling facility. Although this is an acceptable interim use for the site, the potential reconfiguration of the Port's adjacent maritime ship repair facility could require the use of this area and thereby limit the lease period and the attractiveness of the site to WMI.

STATUS OF APPROVED LEASES

Bode Gravel Company/Mission Valley Rock Bode Gravel Company and Mission Valley Rock, operating as a joint venture has leased approximately 200,000 square feet of open land and wharf space at Pier 92, also for use as a maritime bulk cargo terminal and concrete ready-mix facility. This is also a relocation of the Bode facility currently located at Third and 16th Streets. Bode expects to import approximately 200,000 tons of aggregate per year by barge and also plans delivery of cement by rail. This lease has been approved by the Port Commission and the Bode/Mission Valley Rock plant is currently under construction.

Hanson Aggregates Corporation: Hanson has leased approximately 435,600 square feet of land at Pier 94 for use as a maritime bulk cargo terminal and bulk cargo storage facility. Future development on their site may include a concrete ready-mix plant subject to approval by the Port Commission. Hanson projects importing 1 to 2 million tons of aggregate per year by deep water ships and barges.

Pacific Cement Company: Pacific has leased approximately 204,688 square feet of land for use as a maritime bulk cargo terminal and concrete ready-mix facility. Pacific, while not an Industry Group member, is an existing Port tenant at SWL 355 (the Western Pacific parcel) that must relocate from that site to make way for the construction of a new Muni light rail maintenance facility. This lease has been approved by the Port Commission and Pacific is currently designing their facility and obtaining the necessary permits.

The Bode, Hanson and Pacific leases are for building materials such as cement, sand, gravel and other aggregate products which are consistent with Port policies for the Southern Waterfront.

ENVIRONMENTAL IMPACT ANALYSIS

In early 1999,the San Francisco Planning Department determined that a Supplemental EIR (SEIR) must be prepared prior to any decision regarding the subject pending leases within the Port of San Francisco's Southern Waterfront. The purpose of the SEIR is to provide information about potential significant physical environmental effects of the proposed uses, to identify possible ways to minimize significant effects, and to describe and analyze possible alternatives uses for the area. Preparation of a SEIR does not indicate a decision by the Port Commission to approve or to disapprove any proposed leases or development projects. The Port's intent was, through discussion with the Industry Group, to identify the actions and activities that would be necessary to develop each site and thereby facilitate meaningful environmental review. If the Project is found to cause significant adverse impacts that have not already been analyzed and/or have not been mitigated, the Port and City retain absolute discretion to require additional environmental analysis, and to: (a) modify the Project to mitigate significant adverse environmental impacts; (b) select feasible alternatives which avoid significant adverse impacts of the proposed Project; or (c) reject or proceed with the Project as proposed depending upon a finding of whether or not the economic and social benefits of the Project outweigh otherwise unavoidable significant adverse impacts of the Project.

The SEIR was certified in February 2001 and the Port has commenced lease negotiations with the Industry Group Members for the uses outlined above.

LAND USE

There are five primary land use documents that regulate uses on property within the jurisdiction of the Port of San Francisco. These documents are the California Public Trust, the General Plan of the City and County of San Francisco, the San Francisco Planning Code, the Port's Waterfront Land Use Plan (WLUP) and the Bay Conservation and Development Commission's (BCDC) Sea Port Plan. The discussion below outlines how the proposed RMC ready-mix plant at Pier 80 is compatible with these regulatory documents.

The Public Trust: The San Francisco Waterfront is publicly owned and held in "public trust" on behalf of the people of California. The Port of San Francisco is trustee for these public lands. The California Constitution requires that uses within the Port's jurisdiction promote navigation, fisheries, waterborne commerce, enhance natural resources or attract people to use and enjoy San Francisco Bay. The Port, as trustee, makes the determination as to whether a given lease or land use is consistent with the Public Trust.

Certain long-term uses are acceptable within trust property. Such uses include all maritime and maritime support, other water-related industry, open space, water-related commercial recreation and specialty retail and commercial which is designed to draw people to the waterfront. Interim shorter-term uses, generally five years or less, which do not preclude later conversion to a trust uses are generally acceptable.

General Plan of the City and County of San Francisco: The General Plan is made up of numerous Area Plans. The Southern Waterfront area is within the boundaries of the South Bayshore Plan. The Plan provides objectives and policies to continue Heavy Industrial and Heavy Commercial uses in the project area and maintain a separation of industrial uses from residential uses.

San Francisco Planning Code: The property at Pier 80 is located within the M-2 Heavy Industrial District. The proposed ready-mix plant is permitted as a principal use in this District.

Waterfront Land Use Plan: The proposed ready-mix facility is considered a maritime and cargo use by the WLUP since waterborne dry bulk cargo (aggregate) will be unloaded from barges or ships to the ready-mix plant facility. The WLUP provides a list of acceptable uses for different areas of the waterfront. The *Southern Waterfront Acceptable Land Use Table* governs uses at Pier 80. This table indicates that "Cargo Shipping" is an acceptable use at Pier 80.

BCDC Sea Port Plan: The Plan identifies *Port Priority Use Areas* that are reserved for regional maritime port use and include within their premises marine terminals and directly related ancillary activities. A marine terminal includes the wharf, storage area, offices, rail and truck facilities, and other functions necessary to the efficient operation of a terminal. Pier 80 is located within a designated *Port Priority Use Area.* The proposed ready-mix plant is an acceptable use since it is considered a marine terminal.

MARITIME COMMERCE ADVISORY COMMITTEE (MCAC)

On March 23, 1999 the Port Commission adopted Resolution No. 99-03 requiring that a Maritime Advisory Panel be formed with membership in the group to include organized labor,

marine terminal operators, cargo shipping users, other maritime industrial users, ground transportation companies and the Public. The MCAC worked with Port staff and the independent consultant team of Martin Associates, Jordan Woodman Dobson and Sedway Group to develop a Maritime Cargo and Industrial Land Use Study that was released on August 8, 2001. The study specifically advises the Port to take advantage of its abundance of available property adjacent to deep-water berths and utilize such locations for the importation of bulk cargoes.

With regard to RMC's proposed use of Pier 80, the MCAC, at its July 11, 2001 meeting, strongly endorsed this location, noting economic benefits to the existing stevedoring company and opportunities for union labor to work at the facility. The MCAC formalized its position with letters to the Port Commission dated July 13, 2001 and January 9, 2001, which stated that the "MCAC strongly advises the Commission that they strongly support the RMC batching plant at Pier 80 and that the Port should proceed to finalize the lease as quickly as possible".

SOUTHERN WATERFRONT ADVISORY COMMITTEE (SWAC)

Established by the Port Commission, the SWAC has been meeting regularly since late 1998 to advise Port staff on proposed Real Estate, Maritime and Planning matters. The SWAC provides a valued perspective from the Bayview/Hunter's Point community with respect to the use of Port property in the Southern Waterfront. The SWAC also provides an important perspective of environmental justice issues as they relate to proposed Port land use decisions.

RMC presented their proposal to the SWAC on June 25, 2001 and received support to locate their concrete batching facility at Pier 80.

COMMUNITY ISSUES

RMC is sensitive to community concerns related to their proposed use. RMC has taken proactive steps to meet environmental concerns by agreeing to enclose the majority of their batching plant. The RMC proposal, with its maritime component, will eliminate up to 20,000 annual truck trips on City streets as the raw materials can now be barged directly to the batching plant instead of having to be delivered by truck. RMC is also a supporter of the proposed Muwekma/Ohlone pocket park on the shores of Islais Creek. RMC is committed to hiring local residents and would work with such labor sources as Bayview-based Young Community Developers to hire workers.

SUMMARY

This informational presentation was intended to provide a historical overview of RMC's relationship with the Port of San Francisco and the Bayview/Hunter's Point community. It is the intention of this presentation to demonstrate that RMC is a good corporate citizen that could benefit the Port and the surrounding community through its operation of a concrete batching facility at Pier 80.

Prepared by: Peter Dailey, Maritime Director

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SAN FRANCISCO
PORT COMMISSION

FEBRUARY 26, 2002
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

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HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. DENISE McCARTHY
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
FEBRUARY 26, 2002

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 4:05 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Denise McCarthy, Brian McWilliams and Pius Lee.

2. APPROVAL OF MINUTES - February 12, 2002 Regular Meeting

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the February 26, 2002 were adopted.

3. EXECUTIVE

A. Executive Director's Report. Mr. Wong reported the following:

- Pier 1 -- 2001 Building Awards by London's Royal Institute of Chartered Surveyors
  On February 12, 2002, in London, AMB Property Corporation was presented with two awards from the Royal Institute of Chartered Surveyors in the 2001 RICS Awards. First, Pier 1 was presented with the Outstanding Achievement Award for Best Building Conservation, for the "restoration of a dilapidated pier into offices and a valuable social and leisure amenity and possibly the world's first earthquake-proof pier." Pier 1 has the distinction of being the very first RICS winner from the United States. The Conservation Award honors outstanding achievement in the conservation of a single building structure or a group of building structures and covers renovation or conversion to new or original use. One of the judges complimented Pier 1 as "an excellent example of the conservation of an historic pier. As the first project of its kind in San Francisco, it has set the standard for others to follow in the future."

  Additionally, Pier 1 was awarded the "People's Choice Award" for RICS' 2001 Building of the Year, capturing 24% of the votes cast via the RICS website. Votes were cast from around the world. The Royal Institute of Chartered Surveyors ("RICS") is the world's leading professional body addressing all aspects of land, property, construction and associated environmental issues.

- Dedication of "Al Scoma Way"
  On Friday, February 22, the City & County of San Francisco and the Port Commission officially dedicated the alley near Scoma's Seafood Restaurant as "Al

Scoma Way." Mayor Brown, Assemblyman Kevin Shelley, Supervisors Aaron Peskin and Mark Leno and Commissioners Hardeman and Brandon joined in to unveil the new street sign that proudly reads, "Al Scoma Way." Mr. Scoma along with a couple of hundred family members and friends from Fisherman's Wharf, and throughout the City participated in the afternoon festivities. We are very pleased to name this street in honor of Al Scoma for his numerous contributions to the City of San Francisco and the Fisherman's Wharf community for over 60 years. He thanked the Commission and Port staff for helping to make this dream a reality for the Scoma family.

4. MARITIME

A. Informational presentation and public hearing regarding proposed lease and terminal agreement with RMC Pacific Materials at Pier 80.

Peter Dailey, Maritime Director, noted that this is a public hearing to discuss the proposed RMC Pacific Materials' lease; no action will be taken at this time. Mr. Dailey emphasized that the Port strives to balance community, environmental and economic/employment factors.

RMC Pacific Materials seeks a relocation site in San Francisco to construct a new concrete production facility because:

- RMC's current Third Street site is approved for Mission Bay development.
- There is continued demand for concrete in West Bay construction projects.
- Concrete production must be in close proximity to construction jobs.

RMC proposes to construct a new facility at the Port because:

- Future supplies of rock and gravel will be transported by ship.
- Concrete and other materials can be shipped by rail.
- Multi-modal access reduces truck trips on City streets.
- Port has developed bulk-shipping business. The Port realizes that its future lies in various modes of cargo.

Last year, the Port hired a consulting firm in conjunction with the Maritime Commerce Advisory Committee. The Maritime Industrial Land Use Study assessed Port's Maritime Industrial Commercial Opportunities and Facility Requirements:

- Findings show potential for real growth in bulk cargo operations.
- New or expanded facilities are needed to handle the expected growth in dry bulk cargo.
- Bulk cargo offers commercial stability and economic benefit to SF's maritime industries. The more barges and the more ships coming through the Golden Gate Bridge not only benefit our terminal operations but our ship repair yard, bar pilots and tug boats as well.

RMC has been working with the Port and the City for many years to find relocation sites:

- In 1997, RMC sought relocation assistance from the San Francisco Office of Economic Development. RMC approached the Port regarding Pier 90-92 as possible site.
- In 1999, due to high repair costs, RMC deemed Pier 90-92 not feasible. RMC then considered the Pier 80 site.
- In 2000, RMC contributed funding and participated in Southern Waterfront Supplemental Environmental Impact Report.
- In 2001, RMC reanalyzed Pier 90/92 and looked at Pier 94 as possible alternative.

Community Concerns:

- Visually, there has been concern regarding the maritime industrial's close proximity to Third Street. Staff has worked with RMC and they offered significant enhancements to their proposal to enclose and screen the batching facilities at the Pier 80 site.
- Entrance to Bayview/Hunters Point Community – In the last year, Port cargo tenants have sponsored and built a gateway to Bayview Hunters Point.
- Spreading Industrial Footprint – All sites at Pier 80/92/94 are zoned M2 (heavy industrial) consistent with the Waterfront Land Use Plan "Cargo Shipping" designation and BCDC Seaport Plan.
- Takes away alternative uses for Pier 80 – Port's investment into Pier 80 and economic benefits generated by Maritime Industrial activities need protection.

Diane Oshima, Waterfront Planning Manager, gave a quick overview of the SEIR as it affects RMC's proposed lease. The EIR analyzes a variety of different uses on different sites such as RMC at Pier 80. The Transportation, Land Use, Air Quality and Water Quality subjects are included within the scope of that analysis. In general, the EIR found that the RMC proposal would not, of its own, generate any significant impacts. There are some cumulative transportation and air quality impacts that were identified. However, in the transportation sector, the majority of the proposed leases that were analyzed focused on Third and Cargo Way, the center of heavy traffic. The impacts would be mitigated by the Port's efforts to develop the Illinois Bridge. There were no land use compatibility impacts that were of any significance in the EIR. In terms of air quality, the EIR took a step-up mode of analysis to include a localized analysis of not just the normal carbon monoxide and car generated emissions but also diesel particulate emission. The proposed bulk of activities were also analyzed and found no significant localized impacts from diesel or other air quality constituents. From water quality perspective and with mitigation measures with the stormwater management, there were no significant impacts found. The Port is working with the community to develop a study of alternate forms of stormwater management that would allow stormwater to be handled on site without impacting the southeast facility.

Joe Sostaric, Vice President and General Manager of RMC, thanked the Commission for the opportunity to present their plans for the Pier 80 site. RMC Pacific Materials is a producer of building materials i.e. cement, concrete, aggregates and sand. They are a publicly traded company that is part of a family of companies that have operated in San

Francisco since 1906. They are a reliable supplier to many San Francisco construction projects. They are a union employer with over 650 union members throughout Northern California. Most importantly, they are a company that cares about the community in which it resides and does business. They are very proud of their performance and service to San Francisco over the years. They supplied materials to the first San Mateo Bridge. They supplied materials to the original City Hall and to its subsequent retrofit. They were the supplier of concrete for the Main Library and many other public buildings. At RMC's new site, they will manufacture concrete. Concrete is a mixture in which a paste of Portland cement and water binds aggregate into a rock-like mass that hardens through chemical action of cement and water. Concrete is a combination of sand, rock, cement and water. What they propose to do at the Pier 80 site is nothing more than mix these materials together. At their Third and Mariposa Street facility, they received 70,000 tons of cement delivered in 2600 trucks or 5200 truckloads. They also received 400,000 tons of aggregates in 16000 trucks or 32000 truckloads. At the proposed Pier 80 site, they plan to take a large percentage of that operation by moving the cement by train and bringing in aggregate by ship or barge.

Mr. Sostaric mentioned that their current facility at 16th and Mariposa was not conformable by the rezoning in regards to the Mission Bay project. They reviewed potential Port of San Francisco sites with Port staff and started looking at Pier 90. One of the reasons they looked at Pier 80 was that site was selected through discussions with SAEJ. They were concerned with Pier 90's proximity to Bayview Hunter's Point. They have promoted the process and are supportive of the process including the SEIR and have been active participants. Their proposal received both SWAC and MCAC approval. After they received the approvals, people in the community asked them to research alternative Port sites for the following two primary reasons: (1) Pier 80's proximity to Third Street. This was an issue that was brought up as far as visibility from Third Street particularly in regards to the Gateway project and (2) the desire to cluster all concrete plants in San Francisco. Some people thought it would be best to have the three main concrete plants in one geographic area.

They looked at Pier 90, the old grain silos site; Pier 92, the Fish Meal Building; Pier 94, site adjacent to Hanson's Aggregate Import; and the east end of Pier 80.

Pier 90 – the current silos need extensive seismic retrofit making the cost of the site uneconomical. They also had early opposition from SAEJ expressing concerns about the proximity of the site to the Bayview Hunters Point community.

Pier 92 – sits on wooden piles that were erected during the early 1900s. After a soils analysis was done, they found that the soil under the piers has been washed out over the years necessitating the construction of the seawall. Therefore, the cost to bring up the site becomes prohibitive. The other issue at Pier 92 is the gateway.

Pier 94 – sits on top of uncompacted fill material. Over the course of time, a lot of broken asphalt concrete and wood was dumped on that site and capped it with asphalt. This is all uncompacted materials and they need to be removed and replaced with proper fill material in order to construct a batch plant. These uncompacted materials would also need to be tested and disposed of properly. The estimated cost for removal and disposal

makes this project uneconomical because the condition of the soil is unknown.

East end of Pier 80 – was the site deemed by Port staff to be in compatible with the adjacent container operation.

Mr. Sostaric indicated that any site could probably work if they have the right amount of money but after further review, Pier 80 would be the preferred alternative site. They currently do their local hiring through the Young Community Developers. They sponsor professional driver development through the YCD program. They pay their trainees a living wage while they are training. To date, they have had 17 drivers go through the program. Upon completion, they pay half of their union initiation fees. The trainees leave the program with a commercial driver's license in hand. In many cases, they have trained people who actually go to work with somebody else. They also use local truckers for the majority of their incoming aggregates. With regard to the air quality issue, they plan to do a full enclosure containment of materials. They propose to have their materials contained on all four sides. They will put dust suppressive water system where needed. They will use wheel washers so that the wheels of the vehicles will be washed before they get to City streets. They will support any street sweeping needed. They will put in more state-of-the-art material handling facilities to reduce dust emissions. They are also recycling all the processed water in their facility. Any water they create will go back into making concrete; nothing will leave the site. Working with Port staff, their company have been involved with the stormwater plan which is planned for the southern end of the waterfront.

In 2002, the National Ready Mix Concrete Association announced that their San Ramon facility won a national award for environmental excellence. The criteria that was used to judge that plant is regulatory compliance, site aesthetics, employee training involvement, water and waste management, air quality protection, management commitment and community relations. This site is not different from what they would expect at Pier 80. This is a plant built in the 1960s. With regard to diesel emissions, they are currently the only ready mix supplier in San Francisco to run an all-electronic engine technology fleet which means there is a 70% reduction in NOx emissions compared to trucks built 10 years ago. They also have a 90% reduction in particulate emissions. They will also work with the Port on alternative fuel solutions. There has been proposals for compressed natural gas and they will work with the Port with some of the problems that currently exist. They are also replacing some of the truck traffic with more efficient rail and ship deliveries.

Mr. Sostaric mentioned that they have a responsibility to the community. They want to have a facility that people can be proud of. They have been in support of the Muwekma Ohlone Shoreline Park Development. David Erickson secured a grant for that project. Their plant design would not have any impediment in providing shoreline access. They also have a need to contribute to local charities and causes. In conclusion, they are committed to set new standards for a concrete plant that would far surpass existing standards. They recognize their responsibility to the community and will do their utmost to meet their expectations.

Commissioner Hardeman acknowledged Supervisor Maxwell's presence.

The following individuals strongly endorsed and urged the Commission to proceed with RMC's proposal:

- Stan Warren, San Francisco Building & Construction Trades Council, pointed out that RMC's proposal of the property in question appears to meet the necessary criteria outlined by the land use documents that oversees the jurisdiction in question. Environmentally speaking, in terms of the handling of the product that RMC is proposing, the enclosure process they have outlined is an appropriate one as well as the alternative means of transporting the materials via train, ship or barge. RMC will continue to maintain as well as create union jobs within the community and throughout San Francisco. It would create good union pensions, healthcare and other benefits crucial and of vital importance to the community. The great amount of construction work in San Francisco will require the product that RMC is going to provide. This will help drive and stimulate the economic engine in San Francisco and help meet it's development needs.
- Rome Aloise, Teamsters Local 853/Teamsters Joint Council #7, indicated that his local union represents the drivers at RMC. After watching this presentation, he does not want to hear unions chasing anybody out of town any longer because anybody with some common sense can see that RMC has bent over backwards to comply with every environmental regulation, and many of the emotional issues concerning this project. His main thrust is to recommit to the Commission and to the City that they are also committed to community training of drivers. They have an over abundance of drivers that are ready to retire and they were fortunate enough to negotiate a very good contract this past June with very ample health, welfare and retirement benefits. A lot of them will be retiring and there will be a lot of job openings. They are committed to working with RMC to bring drivers in from the community. He asked for RMC's 2001 wage earnings. Bode drivers averaged about $80,000. It behooves the community to approve this project and when it is appropriate, he would ask the Commission to do so.
- Dan Boardman, Bode Gravel Company, indicated that the Commission was gracious enough to allow Bode Gravel to lease a property at the Port. The reason a tough competitor of RMC is speaking on their behalf is because RMC is a good company. They are honest business people and they are fair competitors. San Francisco is lucky to have them. This company is a reputable company. To not allow RMC the same opportunity the Commission had allowed Bode and other people in their industry would be unfair.
- Michael Talia, Regional Manager of the Associated General Contractors of California, indicated that the AGC views this as a vital issue in the construction industry. They represent over 500 contractors in California as well as 600 associate members. RMC has been a valued associate member of their association for a number of years. RMC offers good, union, high paying, excellent benefit jobs to local community. RMC provides a vital product to the construction industry that is perishable. By not having local, in-city suppliers, the economic cost to contractors will be directly passed on in city construction projects. RMC has made every effort to reach out to the local community to provide a plant that is environmentally sound and meets the direct needs of the local community. The AGC of California recommended approval of the RMC lease to relocate its ready mix plant to Pier 80.

- Jim Wiltshire, Marine Terminals Corporation, indicated that they do dual marketing with the Port. By doing so, it gives them the opportunity to look for different pieces of business for Pier 80 to make it a viable operation. As with many operations today, their business is very dynamic. Since all the events in the past year and the general economic condition, their business is down and they are grossly under utilized. They need RMC's business. As a terminal and stevedore operator, it can sometimes be referred to as being in the people business. Their job is to bring in ships and work at Pier 80. The commitment that RMC has made to the community and the design efforts of the batching plant are commendable. They are in line with the thinking of SWAC and with the Maritime Commerce Advisory Committee who unanimously endorsed the project and in line with the Port's recent Maritime Industrial Study as well as with the BCDC and other Commissions. He thoroughly endorsed RMC's relocating at Pier 80.
- Officer Wayne Chapman, Union City Police Officer, indicated that he has handled complaints at RMC for noise abatement issues. In his 15 years, there were only two complaints. He is currently working on a program through the Police Activities League in Union City. For several months, they have been looking for a site for the Police Activities League. RMC came through for them by providing them a building on their site. RMC was willing to go to bout for them, worked with them, renovated the building and charged them a minimum fee. RMC is definitely working on their side.
- Tom Escher, Red & White Fleet/MCAC Member, indicated that they have been following this project for the last few years. They support the RMC project. From a visual point of view, it is very attractive. As a member of MCAC, he strongly recommends that the Port commence negotiations with RMC to move into Pier 80. RMC has done a lot of work. There are more plusses than negatives in this project. He encouraged the Port to move ahead with the project.
- Rodney Winkler, union member of Local 853 and RMC employee, encouraged the Commission to vote in favor of RMC's proposed lease. RMC is a wonderful company to work for. They have extended a lot of efforts to the community. They worked on projects such as Habitat for Humanity and others. If they cannot get their site because it is not economically feasible, their company could leave town and it would leave a lot of people jobless. He hoped that the Commission would support their proposal.
- Ted Landavazo, Landavazo Bros. Inc., indicated that they buy concrete from RMC and Bode. RMC is a very diverse company. He asked the Commission to give RMC the same opportunity they gave to the other ready-mix plants.
- Charlie Walker, Bayview Hunters Point, gave a brief background of his involvement in getting jobs for some of the young African Americans in the community. He emphasized RMC's willingness to get things done in the community. He asked the Commission to find a way to help them be a better tenant and a better neighbor in the community so they can keep people working. RMC has been very helpful to the African American community by providing jobs. He asked the Commission to help RMC.
- Victor Cortez, RMC employee for 8 years, indicated that RMC gave him a chance to work with them and it helped support his family.
- William Adaflagbe, RMC, indicated that a couple of years ago, he moved to America

from Ghana, West Africa. With the help of the Young Community Developers, he currently works with RMC, a company of reliable, quality materials for the development and beautification of many locations in the Bay Area. He appealed to the Commission to approve RMC's request for a new plant at Pier 80 and to help him develop his potential.

- Carl Goff, Operating Engineers #3, indicated that they support RMC's project at the Pier 80 site.
- Walter Johnson, San Francisco Building Trades Council, strongly supported RMC's proposal at Pier 80. He indicated that we need to do more of this and help build a foundation for the City and a foundation for the future and send a message that San Francisco is truly a City that knows how.
- John Moran, Business Agent with Machinists Union & Bayview Hunter's Point Resident, indicated that he is keenly aware of the environment. He knows what the trucks are capable of producing and looked at the Pier 80 site. As a resident of Bayview Hunter's Point, he finds nothing wrong with the project. As a union representative concerned about raising his standard of living at Hunter's Point, it is incomprehensible to make the employers spend more money to move it from Point A to Point B. He agreed with Charlie Walker's comments. He has been in the forefront of fighting to get jobs for the residents of Bayview. He watched the ups and downs of the Hunter's Point community. This is the most reasonable, sane place for RMC. It brings in economic stability and some permanency to employment.
- Julia Viera, Friends of Islais Creek and Bayview resident, gave her approval of the RMC project. She indicated that the arguments against the project do not make any sense. This is an existing industrial site and it is visually attractive. They mix very well with the birds, seals, fish, and all the native plants that the Friends of Islais Creek have brought into the area. The gateway to the Bayview was created by the Friends of Islais Creek with the cast of hundreds from trash, toxic, abandoned waterway to the point where they now have a Islais Landing Park, a dock, a Hawaiian canoe racing facility and a skateboard park. They have a history kiosk. They removed two huge billboards, nine more to go. They have a beautiful Islais Landing sculpture sign on the pump station. They have an art installation and an 80-foot tower. They named the bridge for a very famous San Francisco engineer. Next, they have a 700-foot shoreline park which will be in the shape of a half-model of the Liberty Ship, the kind of Copra ship that brought Harry Bridges to San Francisco. They have the Copra Crane Restoration project which will become a labor landmark. They have the firefighter's plaza, on the other side of this site. They have a bridge planned to connect the north and south shores in the westend, underneath I-280. The Friends system is a very successful and original program so successful and such a positive approach that it's called Blue Collar Restoration. It's a combination of labor, community, industry and government. It is so unusual and rare that Maria Brooks is planning a film about this project. RMC is a great example of this partnership. They are a responsible business, they are involved with volunteers. They hire locally; they are going to create wonderful architecture and design. They respect the waterway. They will be glad to share Islais Creek with RMC.
- Richard Mead, ILWU Local 10, indicated that the longshoremen jobs on the waterfront are fast disappearing. It was longshoremen that built this City. Projects like this would keep longshoremen on the waterfront. The Port owes it to the longshoremen of the present and the future. They only have a small fraction of the

waterfront that they once had. The industry changed. The Port found a niche and it looks like it's going to be a growing, thriving piece of the waterfront. He urged the Commission to keep longshoremen on the waterfront.

- Bob Wolterbee, Hunter's Point Resident, indicated that he couldn't think of anything negative about RMC moving into Pier 80. He sees many positive aspects for them moving at the site. His only concern would be the particulate matter. It was his understanding that RMC has the technology to take care of it. He urged the Commission to approve their operation at that site.
- Andre Johnson, Bayview Hunters Point resident, indicated that through a community-based organization working with RMC, he has been afforded the opportunity to pursue his dream as a concrete truck driver. Not only is he being trained as a truck driver but his training puts a lot of emphasis on safety. Being involved in the training program has a great impact on his life. RMC has been a great inspiration and a great benefit on his life. They gave him the motivation and confidence that he can be a good driver and a good employee. He's sure that RMC's proposal will be beneficial in the long run.
- Cisco Lastra, RMC, indicated that he wouldn't be able to purchase a home without his job at RMC. RMC has provided a lot of opportunities to Latin Americans. Pier 80 is a great location for their operation. RMC stands behind their words. They will make their plant modern. The trucks are new, computer controlled and as efficient as they could be. RMC is competitor friendly. He hopes that the Commission vote favorably for RMC.
- Steve Gonsalves, President of Conco, indicated that he is confident that RMC will adhere to all environmental regulations. Their revenues over the last few years have been reduced relative to them complying with local hiring requirements and utilization of local business. RMC has participated in local high school issues and many others.
- Marina Secchitano, Inland Boatmen's Union, read her letter to the Commission stating the reasons RMC's proposed lease should be approved. Their main focus is the sustainability of the Port. RMC has gone through a lot of process to get to this point and she asked the Commission to go forward with the project. The SWAC approved this location. The Port lost a lot of cargo to the Port of Oakland. With regard to the statement that RMC should not be at Pier 80 because RMC would be the first one to welcome people as they come to the neighborhood along Third Street and that it is not an appropriate impression for a gateway to make, this statement is misleading. Driving south from downtown along Third Street, entering Bayview Hunters Point, across the Islais Creek bridge, it is impossible to see the proposed RMC site unless you turn your head counterclockwise while on the bridge. The RMC Pier 80 site is not geographically part of the gateway as defined by the Oasis group and their study of the Bayview Hunters Point PAC. With regard to the statements: (1) The Pier 80 site spread the industrial footprint to both sides of Islais Creek and Bayview Hunters Point is already the City's industrial workhorse and has enough polluting industry; (2) The Pier 80 site would expand the dirty, industrial uses almost up third Street on both the north and the south side of Islais Creek. This not only makes pollution more difficult to control by spreading similar uses over broader area but it takes away from the community benefiting alternative uses for the land. Ms. Secchitano indicated that these statements are misleading. The examination of the southern waterfront shows that the industrial footprint closely follows historic

dawning both on the east and west side of Third Street. The SEIR concluded that RMC can be sited at Pier 80 without polluting impacts. RMC will join other maritime and industrial uses at Pier 80. Further, if fugitive dust is found at RMC, it would be clear who is responsible. Maintenance responsibility will be easier, not harder. With regard to the following statements: Port lands are subject to a trust to all people of the State of California, not only to provide alternative community benefits to local neighborhoods. The issue that the Pier 80 site eliminates better material handling and environmental management option. Two other batch plants, Bode and Pacific Cement, will already be on the south side of the creek. Having three businesses from the same industry in one compact area allows innovative ways to producing dust problems. All of the aggregates could be stored in one facility instead of three separate ones and be operated on a "just-in-time" basis by either the aggregate supplier, the Port or even a community development organization. It's easier to control dust from one source rather than three and provides for better accountability for pollution prevention plans. Ms. Secchitano indicated that these statements are untrue and misleading. Combined operations do not necessarily lead to improved environmental management or materials handling. The four companies involved, Bedrock, Pacific, Bode and RMC, are independent corporations. Limiting their independent sources of supply to a single facility would put the City at risk in the event of a single failure. Introduction of the concept of a community development organization is beyond the scope of environmental stewardship. The Pier 80 site takes away opportunities to expand shoreline access and green space north of the Creek. Bayview Hunters Point needs more access to the water and more natural areas. The area north of the creek already is a habitat restoration underway at the park. The Pier 80 site can provide upland expansion of the park and create a healthy and inviting for people and wildlife. Relocating the plant south of Islais Creek is a logical alternative because it would be a positive solution for all parties involved, most importantly the immediate community stand to face the greatest risk in the activities of the plant. RMC is a major corporate benefactor with respect to the creation and the stewardship of the park. They continue to be highly dedicated to this project. Ms. Secchitano concluded that they support RMC's activities at this site. They have gone through the public process and paid their dues. They got the environmental reviews done and they deserve to be at that site.

- Mike Bishop, Hanson Aggregates, indicated that Hanson runs operations at Pier 92 and 94. RMC is their industrial partner. Having them in this area would do nothing but help the industry. They are looking at many ways of keeping their industry clean, tidy and positive to the community at large. Having RMC at Pier 80 will keep that pier as a maritime use. It would do nothing but good to their industry. Hanson Aggregates supports RMC at Pier 80.

The following individuals urged the Commission to find a suitable location other than Pier 80 for RMC's operation:

- William Spencer opposed the RMC lease. RMC is an excellent company; they employ union employees but the proposed site is the wrong location for their operation. Pier 80 should not be used for a concrete mix plant. Mix plants should all be put in one spot. The union drivers will be employed either way. RMC will stay in San Francisco. The plant shouldn't be located in that location. Muni is spending $500

million on light rail on Third Street. It makes no sense to put a concrete plant at that site. Marin Street and Third Street could be developed for restaurants, shops, etc.

- Linda Weiner, American Lung Association of San Francisco and San Mateo County, voiced their opposition to the proposed RMC site. She indicated that they are concerned that the emissions from a concrete plant, not to mention the dust from construction, as well as trucks would negatively impact the public health of the surrounding community. RMC sounds like an excellent company but it's the wrong site. In 1993, EPA determined that concrete manufacturing generates air particulate emissions from cement and aggregate dusts. Most of the contaminants release CKD, which contain a variety of components including amounts of dioxins and lead. The EPA found environmental harm resulting from CKD waste with these contaminants posing threats to human health through air particulates tending to stay in the lungs and having significant health impacts. Even though there is some regulatory framework controlling CKD, enforcements and accidents are always an issue. The idea of lending all of those pollutants together causes great concern. It should be noted that the Bayview District has the highest rate of lung cancer in the City. It has the highest rate of hospitalization for asthma. The area is particularly vulnerable due to the placement of several main diesel bus routes. It is essentially considered the City's industrial workhorse which is clearly enough pollution. Therefore, it is the wrong site for that operation. She asked the City to consider not only the negative impacts of the CKD but also take into accounts the current number of pollution already in the neighborhood, the existing poor health of the people in the neighborhood, the cumulate environmental burden already shouldered by the residents. She strongly urged the City find another site for the plant which would inflict less negative damage to the community.
- Ralph House, Bayview Hill Neighborhood Assn., indicated that there is a better location for RMC's operation. The Commission should reconsider this whole proposition. Potrero Hill and the Bayview District will be impacted by this facility. There are health effects from industrial uses being sited at Pier 80.
- Mike Tomas, Communities for a Better Environment (CBE) & Potrero Hill resident, mentioned that today Gov. Davis is holding a forum regarding general plans and land use issues and it's regarding environmental justice. Environmental justice is defined as the fair treatment of people of all races, cultures and incomes with respect to development, adoption, implementation and enforcement on environmental laws and regulations and policies. The general plan and land use issues directly impacts and affects and is related to this project. Currently, CBE and many residents of Potrero and Bayview Hunters Point are working against the expansion of the Potrero Power Plant, north of this proposed site. In addition to the power plant that is expanding in the neighborhood, the San Francisco PUC has plans on expanding the sewage plant in the Bayview Hunters Point. This would be 90-foot towers that would shadow down onto local residents. 80% of all the sewage in San Francisco goes to Bayview Hunters Point. He inquired about the duration of RMC's lease. The Waterfront is a State public trust issue and it's supposed to bring residents to the waterfront. He's not sure if a concrete company will bring residents to the waterfront. He inquired about how many people RMC employs, specifically, how many residents are from Bayview Hunters Point and Potrero Hill. He did not hear about any guarantees of jobs for Bayview Hunters Point and Potrero Hill residents. He suggested that the Commission explore the idea of putting these facilities in one location.

- Alex Lantsberg, India Basin Neighborhood Association, adamantly opposed to RMC's operation at Pier 80. He acknowledged the efforts that RMC has made. They have made some tremendous strides in addressing their issues. They are not saying no to RMC. They are suggesting that they find a different location that does not interfere with the community's agenda of using this light rail, using the economic development activities that are happening and making sure that it works for the neighborhood. He pointed out that RMC is a family of companies, a publicly traded company. RMC is a multi-national corporation that has high revenues. They have no financial constraints and are able to afford to make the necessary improvements to fit in with the neighborhood and to take advantage of the development in the neighborhood. Pier 80 is just a junkyard. There is an alternative use and it will be one that would actually serve the neighborhood. Mr. Sostaric mentioned that it would be uneconomical. It is not uneconomical; it could be passed on to developments. The Port needs to tell developers who want to do business in the City, they need to make sure that they fit in the neighborhood. This is the perfect opportunity to get the money to fund the improvements in the community. Think creatively and come up with a solution that will meet the concerns of the community and RMC. RMC is not leaving town. This is not a question of jobs or the environment. It is about doing industrial development in a dense city that is responsible to the community that it's in.
- Edward Hatter, Potrero Hill, indicated that he endured the PGE Power Plant, the Mirant Power Plant, the existing RMC cement plant and the water treatment plant. RMC has done a good job with the initial proposal. There's more homework to be done. He asked the Commission and RMC to consider a different site.
- Amandeep Jawa, SF League of Conservation Voters, urged the Commission to rethink this proposal. This is not a bad corporation against the community or jobs versus the environment. RMC is a caring and interesting corporation. He applauds all their work. This is a good project but it's not the right place for it. There are environmental restoration going on adjacent to the site. The Third Street Light Rail project and all the new roads that the Bayview needs are coming. There is going to be retail development and housing development. To put a concrete plant there would have a chilling effect on the rebirth of that neighborhood. The trajectory of this project is wrong. This neighborhood is moving from less industrial uses to more people-centered uses. To put a concrete plant there would really turn the clock back. He also encouraged all the union members that they are not against them. They are all in the same plan. Everyone wants what's best for the people of the area. Jobs are certainly important and jobs will come from RMC but they have to look at the long-term view. The health of the Bayview is at stake. There are too many people dying in the Bayview district. There is another place for RMC in San Francisco; not at this site, not now. He asked the Commission to reconsider this proposal and find a better site for this project.
- Jennifer Clary left but asked Mr. Jawa to relay to the Commission that Pier 80 is not the right location for RMC's operation.
- Ernestine Weiss indicated that all the arguments about jobs is valid. The question is location. She worked with Muni in building the Third Street Rail. RMC is not a bad company but they have to be located at a proper place, not at Pier 80. The Commission has to consider the environmental effects of the batching plant. RMC has not proposed any mitigation measures. Prop 40 is a Clean Air and Water act and this is the reason it came about. She asked the Commission to consider the location

and not spoil the waterfront. The term of the lease was not mentioned and this would impact the future.

- Dick Millet, Potrero Boosters, echoed Mr. Spencer's comments regarding the site. He read a letter from Mr. John De Castro. They are opposed with RMC's project at Pier 80 for the following reasons: It would be better to locate them near the other companies on the south side of the creek. With the Better Neighborhoods 2002 Plan and Third Street Light Rail, we have the opportunity to create a friendly boulevard along Third Street. The Pier 80 site spreads the industrial footprint to both sides of Islais Creek. Two other batching plants, Bode and Pacific Cement, will be relocating on the south side of the creek. Having three businesses from the same industry in one compact area allows innovative ways of reducing dust problems. All of the aggregates could be stored in one facility instead of three separate ones. It is easier to control dust from one source rather than three and it provides a better accountability for pollution and prevention plan. The Pier 80 site takes away opportunities to expand shoreline access and green space north of the creek.
- Pauline Peele, Bayview Resident, indicated that she is extremely supportive of RMC. She was pleased about their plan of enclosing the site. She was hopeful that RMC could relocate to the Pier 90/94 area to conform with the many industrial area. Being right next to Third Street, where they might end up with housing development in the not so distant future, it's not the right place for it. The Port owes the residents this.
- Joe Boss, Dogpatch, indicated that he does not deny everything that every union member, every contractor and everything that RMC has said. RMC needs to move because of the Mission Bay project. If this batch plant is moved closer to the other batch plants, that use or that potential contaminant is confined to one space. It would be a lot to control. They hope that Pier 80 would become more vibrant. The Port could construct their own barge facility and charge fees.

Commissioner Brandon asked RMC if they have met with any other groups besides the SWAC. Mr. Sostaric replied that some of the Bayview PAC members attended their meetings. He personally met with the Dogpatch Neighborhood Association, the Senior Center at Third Street, the Opera House and other businesses. He has not met with the Potrero Hill Neighborhood Association.

Commissioner McWilliams thanked everyone for their testimony. He commented on some of the speakers' remarks regarding a potential for expansion of other uses besides commercial and maritime at the pier facility such as restaurants, shops and housing. There was also a suggestion that the Port not expand the industrial use of this facility because it will impact its ability to accomplish those uses in the future. Commissioner McWilliams emphasized that no matter what the issue is about, whether it's location or environmental, those are legitimate issues that needs to be addressed but it shouldn't be used, it can't be used or will not be used as a vehicle to displace maritime and displace the industrial economic engine at the Port. It is not an appropriate argument in this situation. It's the Commission's job, on behalf of the State and on behalf of the people of the State and the region including the City, to provide the best and highest use with maritime as a priority. It is a maritime trust ; it includes public access. The main purpose is to promote maritime and good industrial jobs to maintain an economic engine that drives not just the Port, and the City but the whole region. It is a priority for us all and we're struggling to accomplish that while at the same time address all the issues that were

brought up. The idea that this might interfere with housing or restaurants or shops on the north side of the creek along the industrial pier needs to be dispelled. That will not be an opportunity for the future of that site.

Commissioner Brandon disagreed with Commissioner McWilliams comments. What happens on the waterfront, whether it's heavy or light industry, the Commission has to take into consideration the impacts to the community. There was a lot of things said that are misrepresentations of what the Port is trying to do with RMC. The Commission is not trying to drive them out of San Francisco or letting anybody lose their jobs or their houses. The Commission is trying to find a site that will work with the community, with RMC and with the Port. Unfortunately, there was no testimony tonight about why Pier 80 is the perfect location instead of Pier 90, 92 or 94. It would have probably shed some light on why we're making this decision on Pier 80.

5. NEW BUSINESS/PUBLIC COMMENT

Flicka McGurrin, Pier 23 Café, requested the Commission to allow them to proceed with their capital improvements project and extend their lease for five years from the date of its approval so that they can reap the intended benefits from the capital improvements. The Port made a sudden decision to proceed with substructure repair work which is scheduled as early as March 1st. She deemed her request for a lease extension as reasonable because they have attempted to proceed in good faith with their lease requirements but they have been prevented from doing so through a variety of reasons that are presented in the documents to the Commission. To date, the money spent on the capital improvements at Pier 23 is approximately $133,000; $46,000 are architectural, engineering, legal and accounting fees. These are monies that could have been better spent on the construction that needs to be done at Pier 23 café. They and the Port have not benefited financially from any of the capital improvements that they plan to do. In agreeing upon a 5-year extension to their lease term, the Port and Pier 23 café can both benefit from the improvements. The first packet includes a letter sent to the Commission last week together with a timeline dating back to 1996. It reflects the amount of money, energy and activity they have put in to trying to proceed with their capital improvement project. It also includes a lease description that allows for an extension.

Commissioner Hardeman mentioned that her letter will be referred to the Executive Director and appropriate staff.

Ernestine Weiss concurred with Commissioner Brandon's comments regarding RMC's operation at Pier 80.

Jim Dillman, Manager of the Burma Road facility in Oakland, apprised the Commission that their terminal in the East Bay will no longer exist.. Marine Terminals manages Pier 80 and they have looked up and down the coast for a location for their operation. They are looking for a site to put their 400,000 tons of cargo. In addition, they employed nearly 140,000 man-hours last year on Burma Road. They came to a conclusion that they want to come back to San Francisco. They would like to bring back that business to Pier 80. Listening to today's testimonies, it proves a point that maritime use in the City is gone. It's there for the taking. This Port and this Commission has to make a decision if we're going to stay in maritime

business or not. They are looking at a huge undertaking in bringing this cargo back. It's a big issue for their customers on where they bring their cargo and what they want to do with it. He personally does not want to move again. He would like that to be a strong consideration. It's a lot of cargo and a lot of money to the community and to the Port. It would mean a lot of jobs to the Bay Area and it would make San Francisco what it used to be.

Commissioner Brandon asked Mr. Dillman where he got the notion that the Port does not want any maritime business. Mr. Dillman replied that the only facility that is being or could be used for the work that they do is at Pier 80. Remarks were made earlier about putting shops, restaurants and condominiums in that facility.

Commissioner Brandon clarified and assured Mr. Dillman that cafes and condominiums will definitely not be located at Pier 80. The Port would welcome the maritime business at Pier 80 and look forward to working them.

Commissioner McWilliams clarified that the 140,000 man-hours Mr. Dillman referred to are only longshoremen hours. They do not include any and all of the other workers involved in accomplishing the task. This operation will have a huge impact to the Port. He is hopeful that we will have a good relationship with the Marine Terminals and we will accomplish some of that. He will make sure to take time to sit down and open a dialog anyway we can. He asked when the Burma Road will be closing.

Mr. Dillman replied that the Burma Road has been given notice by the Port of Oakland but Caltrans will also give them notice since they both claim rights to the property. The fact is they are moving. Their last ship at Burma Road would be in the next 30-45 days. They are already undertaking what needs to be done to bring the cargo and ships to Pier 80. They will probably start working on general cargo ships at Pier 80 within the next 60 days. They will bring all the customers to Pier 80 within the next two weeks to give them a tour of the facility and sell the facility. The Port has been more than receptive to working with them.

Commissioner McWilliams commented that the Commission and staff look forward to the opportunity of working with them.

6. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 6:27 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.

This session is closed to any non-City/Port representative. *

a. Property: Piers 1-½, 3 & 5
Person Negotiating: Port; Kirk Bennett, Assistant Director of Planning & Development
*San Francisco Waterfront Partners, LLC: Simon Snellgrove

b. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

c. Property: Pier 70 Opportunity Area
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*AMB Property Corporation: Luis Belmonte
*San Francisco Arts Future Consortium (SFAFC): Christopher Meany

7. RECONVENE IN OPEN SESSION

At 7:59 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

8. ADJOURNMENT

The meeting was adjourned at 8:00 p.m.

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REGULAR MEETING
4:00 P.M., TUESDAY, MARCH 12, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

03-08-02P02:29 RCVD

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - February 26, 2002 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **CONSENT**

   A. Request for authorization to deliver temporary rail suspension agreement to Catellus Development Corporation, pursuant to the Memorandum of Modifications No. 4 (Mission Bay South Infrastructure Plan). (Resolution No. 02-07) (Staff report provided to the Commission.)

5. **OPERATIONS**

   A. Presentation of the 2001Annual Report.

   B. Informational presentation on Operations Division Status Report. (Staff report provided to the Commission.)

6. **PLANNING & DEVELOPMENT**

   A. Informational presentation on status of Planning & Development Projects. (Staff report provided to the Commission.)

7. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80, Pier 92, and Pier 94
Person Negotiating: Port: Mark Lozovoy, Deputy Director of Real Estate
*RMC Pacific Materials: Joe Sostaric

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 80, 92 & 94.

b. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

c. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at the Bryant Street Pier.

d. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations regarding the Rincon Park Restaurant Site.

e. Property: The Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality, Inc: Antony Carter

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations regarding the Embarcadero Hotel.

f. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 23.

g. Property: Pier 45 Shed A
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Red & White Fleet: Tom Escher

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45 Shed A.

h. Property: Pier 47
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Scoma's Restaurant: Tom Creedon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 47.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

10. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

MARCH 2002
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
March 12	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
March 26	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every other month on the second Wednesday at 11:30 a.m. in Bayside 1 @ Pier 1. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

March 6, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong DW
Executive Director

SUBJECT: Request for authorization to deliver temporary rail suspension agreement to Catellus Development Corporation, pursuant to the Memorandum of Modifications No. 4 (Mission Bay South Infrastructure Plan)

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE DELIVERY OF THE RAIL SUSPENSION AGREEMENT PURSUANT TO THE MEMORANDUM OF MODIFICATIONS NO. 4 (MISSION BAY SOUTH INFRASTRUCTURE PLAN).

Background

At its December 11, 2001 meeting, the Port Commission pursuant to Resolution No. 01-98, authorized the Executive Director to enter into a non material amendment to the existing Mission Bay South Infrastructure Plan. In brief, the non-material amendment requires Catellus to pay the Port up to $1.8 Million for construction of the Illinois Street Bridge in addition to Catellus' existing contribution obligation of up to $2.5 Million. In order to capture the additional funds, the Port must deliver to Catellus a "Suspension Agreement" on or before March 15, 2002. The Suspension Agreement would allow for (i) a temporary interruption of rail service to Pier 80 for a period of time commencing no earlier than January 1, 2003 until completion of the Illinois Street Bridge, and (ii) the permanent removal no earlier than January 1, 2003 of all existing railroad tracks, switches, signals and other appurtenances within the Mission Bay South Redevelopment Plan Area without any further action by the Port, City or Redevelopment Agency other than ministerial demolition permits or compliance with City environmental requirements.

The Port also agreed in the Non-Material Amendment to obtain and deliver to Catellus the consent of Union Pacific Railroad ("UPRR"), allowing for the temporary suspension in rail service and removal of tracks within 16th Street. Under the material terms of the proposed UPRR Consent, the Port agrees that UPRR may permanently discontinue railroad common carrier

T OF SAN FRANCISCO
TEL 415 274 0[illegible] TTY 415 274 0887 ADDRESS Pier
FAX 415 274 0528 [illegible] San Francisco, CA 94111

service on the existing Mission Bay rail easements, UPRR agrees to quitclaim certain existing Mission Bay rail easements to Catellus or the City, and the Port agrees that it will not request future rail service on replacement rail unless all replacement trackage and other rail facilities are restored at no expense to UPRR. Under the Non-Material Amendment, Catellus has an obligation to construct the replacement trackage within 16th Street if the Port does not move forward with the Illinois Street Bridge project, subject to the terms and conditions of the Non-Material Amendment.

At its February 12, 2002 Port Commission regular meeting, Port staff presented the proposed plans for the Illinois Street Bridge, and the Commission heard public testimony. In its presentation, Port staff described how the project would improve access to Pier 80 and efficiency between the North and South Cargo Terminals and relieve and distribute traffic otherwise destined for Third Street and Cesar Chavez via Cargo Way by accomodating trucks and vehicles going between the terminals and to Cesar Chavez Avenue. Port staff also included a complete description of the extensive community outreach efforts that it has undertaken, designed to provide information about the project and to solicit and respond to community comments.

It is important to note that the action proposed for today is only intended to obtain the additional $1.8 Million funding commitment from Catellus towards the project, pursuant to the approved Non-Material Amendment. Catellus' funds would be payable upon the Port entering into a construction contract for the Illinois Street Bridge and obtaining necessary regulatory approvals. Today's action does not authorize the Port to enter into any contracts to construct the project or to expend those funds on the project. However, with the additional Catellus funding commitment obtained by delivery of the Suspension Agreement, Port staff will be in a position within the coming year to ask the Port Commission at a noticed public meeting to issue a Request for Proposals for construction of the Illinois Street Bridge, award a contract, and to pursue all of the necessary regulatory approvals.

Environmental Analysis

The Illinois Street Rail/Vehicle Bridge was analyzed in the Southern Waterfront Supplemental EIR (SEIR), certified in February 2001. The SEIR did not find any significant adverse environmental impacts associated with the Bridge and in fact identified the bridge as a traffic mitigation measure that would relieve congestion otherwise projected for Third Street. The SEIR identified construction mitigation measures for the proposed Bridge that are typical for construction work in the water along the San Francisco Bay, as described in the agenda memorandum dated February 6, 2002, for Agenda Item 5A, and incorporated herein by reference. Any future Port Commission resolutions that would approve the award of a construction contract for the project or authorize the expenditure of money towards construction of the project will incorporate those mitigation measures as part of the project approval.

Recommendation.

Because delivery of the Suspension Agreement will allow the Port to secure additional funding for the Illinois Street Bridge without major disruption to Port service, Port staff recommends that the Commission authorize Port staff to execute and deliver the Suspension Agreement and the UPRR Consent in accordance with the terms of the Non-Material Amendment.

Prepared by: Nita Mizushima, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-07

WHEREAS, At its December 11, 2001 meeting, the Port Commission pursuant to Resolution No. 01-98, authorized the Executive Director to enter into a non material amendment to the existing Mission Bay South Infrastructure Plan; and

WHEREAS, The non-material amendment requires Catellus to pay the Port up to $1.8 Million for construction of the Illinois Street Bridge in addition to Catellus' existing contribution obligation of up to $2.5 Million, provided that the Port delivers to Catellus a "Suspension Agreement" and "UPRR Consent" on or before March 15, 2002, the material terms of which are described in the Memorandum to Port Commissioners dated March 6, 2002 for Calendar Item 4A, a copy of which is on file with the Port Commission Secretary for this item; and

WHEREAS, The Port has determined that construction of the Illinois Street Bridge will greatly enhance the Port's ability to serve existing customers at the Port's primary marine terminal located at Pier 80 and will ensure the long-term viability of that facility; and

WHEREAS, Delivery of the Suspension Agreement and UPRR Consent will provide an additional source of funding for the Illinois Street Bridge; and

WHEREAS, Delivery of the Suspension Agreement and UPRR Consent does not authorize the Port staff to enter into any contracts to construct the project or to expend those funds on the project, which actions will require the approval of the Port Commission, in its sole discretion, subject to compliance with the California Environmental Quality Act; and

RESOLVED, That the Port Commission hereby authorizes and directs the Port's Executive Director to execute and deliver the Suspension Agreement and UPRR Consent Agreement to Catellus and UPRR, substantially on the terms described in the Memorandum to Port Commissioners dated March 6, 2002, for Item 4A on file with the Port Commission Secretary and in such final form as is approved by the City Attorney; and be, it further

RESOLVED, That the Port Commission hereby authorizes and directs the Executive Director to take any and all steps as he deems necessary or appropriate, including execution of additional documents, in consultation with the City Attorney, in order to implement the matters contemplated under this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of March 12, 2002.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 5, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Operations Division Status Report

DIRECTOR'S RECOMMENDATION: Informational Only; No Action Required.

I am pleased to provide the Commission a copy of the Operations Division's quarterly report which covers October 1 through December 31, 2001.

The format of the report is based on the Operations Division's Strategies and Business Plan in order to ensure consistency and measure achievement of our goals. I commend it to you for your review.

Prepared by: Karen V. Clopton
Chief of Operations

This Print Covers Calendar Item No. 5A

PORT OF SAN FRANCISCO

PORT OF SAN FRANCISCO

MEMORANDUM

January 31, 2002

TO: Doug Wong, Executive Director

FROM: Karen Clopton, Chief of Operations

SUBJECT: Division of Operations Report

I am pleased to submit our second quarterly report for the 2001-2002 fiscal year, which covers October 1 through December 31, 2001. We continue to follow the Operations Division's Strategies and Business Plan in order to ensure consistency and measure achievement of our goals. The following is a list of the Division's major issues and accomplishments:

I. HUMAN RESOURCES

Program Objective: To conduct outreach recruitment to fill positions in order to provide equal employment opportunity to all groups in the labor force.
Performance Measures: Conduct outreach recruitment for positions in order to provide for equal employment opportunity for all groups in the labor force.

Job Announcements for the following classes were issued. A brief description of the outreach efforts for each class is included:

5620 Regulatory Specialist (Civil Service Examination)
Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach Mailing List
- West Coast Ports Mailing List
- DHR courtesy cards

- Candidates in last recruitment pool
- National Black Public Administrators Association job hotline
- Local Black Public Administrators Association job hotline

Advertisements were placed in the following publications:

- *Jobs Available*
- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*
- *San Francisco Chronicle*
- *San Jose Mercury*

7395 Ornamental Iron Worker

Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach mailing list
- Ironworkers' Local Union

Advertisements were placed in the following publications:

- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*

9395 Commercial Property Manager

Copies of the Job Announcement were mailed to the following sites and/or agencies:

- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach Mailing List
- IFPTE, Local 21
- BOMA Job Bank
- Institute of Real Estate Management Job Bank Bulletin
- Commercial Real Estate Women Job Bank
- Women in Real Estate
- International Right of Way-local chapter

- International Council of Shopping Centers
- National Black Public Administrators Association job hotline
- Local Black Public Administrators Association job hotline
- UC-Berkeley alumni of the Fischer Center for Real Estate

Advertisements were placed in the following publications:

- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*
- *San Jose Mercury*
- *Oakland Tribune*
- *San Francisco Chronicle*
- *Jobs Available*

1054 Business Analyst – Principal (Registry Recruitment)

The City's Department of Human Resources maintains a registry of persons who have been screened for minimum qualifications. All candidates must attain eligibility on the registry before being considered for employment.

Copies of the Job Announcement were mailed to the following persons, sites or agencies:

- All candidates on the registry for the class
- DHR posting at 44 Gough
- DHR website
- Port website
- City Department distribution
- Port's Outreach mailing list

Advertisements were placed in the following publications:

- *Asian Week*
- *Philippine News*
- *Sun Reporter*
- *Bay View Inc*
- *El Reportero*
- *San Francisco Chronicle*
- *Criag's List*

Program Objective: To support directors and other managers by facilitating valid classification changes when needed.

Performance Measures: Complete and send to the Department of Human Resources all classification documentation for new and reclassified positions for FY 2002-03 by April 15, 2002.

The Department of Human Resources approved two Project Manager positions – one funded in the operating budget and the other through capital projects. As soon as the Mayor's staff and the Controller approve the personnel requisitions, a recruitment announcement will be issued.

One position in Class 5241 Engineer (Electrical) was reclassified to 5211 Senior Engineer (Electrical) pending final budget approval in Fiscal Year 2002-03. The personnel requisition was approved and the City's Department of Human Resources issued a referral from the eligible list. A selection is pending.

One position in Class 7514 General Laborer was reclassified to 7215 General Laborer Supervisor pending final budget approval in Fiscal Year 2002-03. Anticipating approval of the personnel requisition, a provisional recruitment was begun last quarter. The selection process will be completed when the personnel requisition is approved.

The budget process for Fiscal Year 2002-03 has not yet begun. It is anticipated that major work on this objective will occur in the third quarter of the Fiscal Year and will be completed early in the fourth quarter. Managers who have requested new or reclassified positions will be notified in January to complete Job Analysis Questionnaires.

Program Objective: To provide staff career development programs and training that will improve staff effectiveness and morale.

Performance Measures:

1. **Provide training for new Port employees in Customer Service, Prevention of Harassment, Prevention of Violence in the Workplace, Communication, Diversity and Equal Employment Opportunity.**
2. **Provide technical, management and other job-related training to Port employees utilizing available resources and funds.**

Staff is working with the same consultant who provided the Harassment Prevention Program to develop training in Communication, Diversity and Equal Employment Opportunity. Two training workshops in Diversity are scheduled for January 2002.

Orientation for new employees has been planned and will be presented on January 11, 2002.

Training in Customer Service and Prevention of Violence in the Workplace for employees who missed earlier sessions will be done by Port staff in the third or fourth quarter of this fiscal year.

A second five-week training program in Team Effectiveness was provided managers and employees beginning in October. This is the second of three programs. The third is scheduled to begin in January 2002.

Employees participated in training provided by outside vendors in the following subjects:

- Asbestos Management

- Desktop Publishing Elevator Maintenance
- Indoor Air Quality
- Land Use Planning
- Microsoft Products, Including Access, Excel and Word
- Moisture, Microbes and Health Effects
- Presenting Data and Information
- Public Relations
- Telecommunications and Right of Way
- Total Daily Maximum Load Program in California Rivers
- Track Inspection
- Unix

Employees participated in training provided by other City agencies as follows:

- Dealing with Difficult People
- First Time Supervisor
- How to Get Things Done in the City and County
- Performance Analysis
- Performance Coaching
- Personality Types at Work

Employees attended the following job-related conferences:

- Bond Buyer Conference
- Real Estate and Economics Symposium
- San Francisco Bay Decision Makers Conference

Program Objective: To provide written personnel policies and procedures for Port staff.

Performance Measures: Update the Personnel Policy and Procedures Manual as needed.

The manual was updated in the first quarter. No new updates are planned at this time.

Program Objective: To support directors and other managers in recruiting for and testing applicants in a timely manner to fill positions.

Performance Measures:

1. **Implement and complete or modify the examination plan for FY 2001-02.**
2. **Develop and examination plan by June 30, 2002 based on Port needs and new positions approved in the 2002-03 budget.**

1. The Examination Plan developed in May, 2001 provided that the Port would initiate or complete the following examinations in Fiscal Year 2001-02. The status of the examination process for each class is noted on the right.

5305 Material Testing Technician	Exam scheduled for the fourth quarter.
9330 Pileworker	List adopted 7/01

9331 Piledriver Engine Operator	List adopted 10/01
7395 Ornamental Iron Worker	List adopted 12/01
5620 Regulatory Specialist	List adopted 12/01
9382 Government and Public Affairs Mgr.	List adopted 10/01
9357 Wharfinger II	Announcement to be issued in January 2002 (This class was not on original plan, but was added due to a resignation)

In addition to the above, recruitment and selection for college interns in Information Systems, Engineering, and Planning and Development will take place during the third and fourth quarters.

Additional examinations will be held depending on vacancies and management requests.

2. Since the budget process has not advanced to the extent of identifying approved new positions and reclassifications for Fiscal Year 2002-03, it is premature to begin this process. I anticipate that this objective will be completed in the fourth quarter of this fiscal year.

II. ENVIRONMENTAL, HEALTH & SAFETY

Program Objective: Increase supervisor accountability for employee health and safety by providing additional training and tools. Incorporate employee safety into supervisors' and managers' performance standards.

Performance Measures: Reduce incident (accident) and severity rates from 2000-2001 levels.

Employee Training. EH&S staff provided at-risk Port maintenance employees with blood-borne pathogen, hearing conservation, and respiratory protection training. Shop/work activity-specific respiratory protection training was given to approximately 30 maintenance employees. An additional 2 new maintenance employees were given Cal/OSHA-mandated bloodborne pathogen training. EH&S staff also coordinated Cal/OSHA mandated forklift operator's training. The actual class was presented by Scott Riley, a Cranes Electrician who is a qualified forklift trainer.

EH&S staff continued to prepare the monthly Supervisor's Health & Safety Workbook ("Redbooks") for Port Maintenance supervisors. The Redbooks provide a timely and standardized means of disseminating health and safety information to maintenance personnel, and aids supervisors in providing and documenting Cal/OSHA mandated biweekly "tailgate" safety talks required for construction industries and crafts. Tailgate safety talk outlines provided last quarter include:

- Inspecting Eyewashes
- First Aid for Burns
- Wet Weather Preparation
- Vehicle Safety Inspections
- Hard Hat Inspections & Tips, and
- Ototoxic (Hearing-Impacting) Drugs

Program Objective: Characterize Maintenance employees' exposures to noise hazards and reduce exposure through training and other measures.

Performance Measures: Complete noise exposure characterization of all Maintenance shops. Complete hearing conservation training for 80% of Maintenance employees.

EH&S staff held an additional six hearing conservation training classes that included approximately 40 Maintenance employees. EH&S staff conducted new noise exposure assessments in a total of five maintenance shops, and conducted supplemental evaluations in six shops in which measurements had been previously collected.

Program Objective: Improve tenants' compliance with storm water regulations.

Performance Measures: Identify all storm water dischargers and ensure 80% permitting and participation in valid group monitoring program.

Port-wide Wastewater and Storm Water Management Program. In October 2000, the Regional Water Quality Control Board issued a "request for technical documents" requiring the Port to identify and control wastewater and storm water discharges from Port property. During the 4th Quarter 2001, EH&S staff completed all work required and met all deadlines specified by the RWQCB order, including quarterly reporting requirements. Work continued on stormwater plans for the Port (Port-wide Stormwater Plan and Southern Waterfront Stormwater Plan). A draft Southern Waterfront Stormwater Plan was received by the Port from our consultants for review. The first of three required rounds of annual stormwater sampling was completed. Inspections and tenant education efforts continued. A two-part stormwater presentation was made to representatives from many Port divisions as an internal outreach and education effort.

Program Objective: Reduce costs for management of dredged material.

Performance Measures: Reduce dredging costs per unit volume from FY2000/2001 by developing appropriate standards, identifying cost-effective disposal options, or other measures.

Dredging. Dredging of Berth 35 East was completed in December under Army Corps, BCDC, and Regional Board permits obtained earlier in the fall (October). Dredging was completed under new contract that includes dredging unit costs reduced 10% to 40% from previous contract.

Continued to follow developments for alternative upland disposal sites for dredged material. Both Mare Island and the Montezuma Wetlands projects moved forward in the permitting process. Unit costs for disposal at both sites are at present undetermined, but may not be competitive with the Port's current contract prices for upland (landfill) disposal.

Other Activities and Accomplishments:

Emergency Operations Plan. Work on updating the Port's Emergency Operations Plan continued. A total of four meetings of the Portwide Emergency Operations Plan Team were held. The Standardized Emergency Management System (SEMS) section-specific items (checklists, forms), resources, and policy have been subdivided with the goal of making the plan more user-friendly, as well as easier to update. The team is currently in the process of making at least some assignments to the SEMS chart so that the responsible individuals or groups can revise their checklists and forms (and determine any other resources that they need). Many resources have been updated, including employee phone numbers, agency phone numbers and tenant emergency contacts. Emergency cabinets have been inventoried and replacements for the perishable items are being ordered. Five phone lines have been dedicated to the Department (Emergency) Operations Center (DOC) at Pier 1, compatible phones have been obtained, and instructions on connecting the phones have been prepared and placed in the DOC for use during an activation.

Lead and Asbestos.

- Loose and peeling lead containing paint was removed from the Bulkhead of Pier 9 to facilitate repainting of the structure.
- Damaged asbestos containing floor tile was removed from 501 Caesar Chavez to accommodate a new tenant move-in.
- Asbestos containing transite paneling was removed from a building at Hyde Street Harbor to accommodate a pluming repair.
- Lead containing paint was removed from the floor and shelving in the tool room of the Port Machine Shop at Pier 50 D. The area was primed to prevent further delamination.

Indoor Air Quality. Investigated indoor air quality complaint following sewage and rainwater releases at the AMTRAK space in the Agriculture building. Conducted over-site of the industrial hygiene consultant and mold abatement contractor to remove sewage damaged drywall throughout the tenant space in effort to reoccupy the space as soon as possible.

Coordinated site investigation into root cause of odors at Lapis Restaurant. Worked with PUC engineers and Port retained environmental consultants to determine most likely cause of odors which appears to be from abandoned PUC piping.

Workers Compensation. Continued to work with both Cambridge Integrated Services, the CCSF Third Party (Workers Compensation) Claims Administrator and the CCSF Department of Human Resources, Division of Workers Compensation on claims management issues.

Pier 70, Wharf 5 Demolition. Secured permits from the Army Corps of Engineers and the Regional Board for the demolition of Pier 70, Wharf 5.

Potrero Power Plant. Continued to provide input and support to Legal, Planning, and Mayor's Office regarding review of documents related to the repowering of the Potrero Power Plant.

Hyde St. Harbor. Continued working with Engineering and Maritime to address remaining engineering, construction, and operational needs for Hyde Street Harbor. Continued sampling and pump-out program for bilge water treatment system. Working with Engineering and outside vendors to evaluate modifications to existing system.

Fisherman's Wharf EQAC. Continued monthly EQAC meetings. Continued twice-monthly water quality sampling at Fisherman's Wharf.

Used Oil Collection. Collection continues at the China Basin and Fisherman's Wharf oil sheds. In the fourth quarter of this year, over 1915 gallons of used oil were recycled, continuing the trend of increased used oil collection each quarter. Presented an invited talk at the Marina Oil Recovery Summit on the Port's oil recycling program.

Arsenic-Treated Wood. Represented the Port at several public meetings held by the Department of the Environment (DOE) regarding the use of arsenic-treated wood. DOE prepared a resolution for the Board of Supervisors dealing with this issue, but neglected to solicit input from the Port regarding marine uses of treated wood. Met with aide to Aaron Peskin as follow-up. Work on modifications to the resolution is continuing, in conjunction with Peskin's staff and DOE staff.

III. GOVERNMENT AFFAIRS

Objective: To pursue public grants for capital projects in the areas of public access transportation and fish handling facilities.

Performance Measures: To identify/prepare grants and or legislative proposals, to seek $500,000 in public funds for the Port's Capital plan in the area of public access, transportation and fish handling facilities.

Pier 45 Shed C

On December 11, 2001, the Port Commission approved authorization to apply for, accept and expend 1.5 million dollars from the California Trade and Commerce Agency for the Pier 45 Shed C fish processing facilities. Given the budgetary woes on the State level, the Port felt a sense of urgency to encumber these funds as soon as possible. With help from Pro Tem Burton, Majority Leader Shelley, the Mayor's office and the community, the Port was able to finalize a contract between the State and the Port to encumber these funds in early January 2002.

Downtown Ferry Terminal Project
Government Affairs worked with Planning and Development Staff in garnering support for this very important open space grant. The Downtown Ferry Terminal Public Pier Project grant for $200,000 from the California Resource Agency will be used for construction funding.

Goal: To obtain approval of Port leases, contracts and grant requests through the Board of Supervisors and Mayor within 60 days from approval of the Port Commission.

Performance Measure: Number of days after the Port Commission's approval of leases, contracts and grant requests that approval is given by the Board of Supervisors.

Government Affairs assisted in obtaining approval for the Third Amendment to Port Lease No. L-8627 with Ferry Plaza Limited Partnerships to authorize sublease of the subject property to the non-profit, World Trade Club. The Port Commission approved that item on September 25th 2001 and the item was approved at the Board of Supervisors on November 5th 2001.

Government Affairs is currently working on an approval from the Board of Supervisors for the accept and expend grant request of 1.5 million dollars for the Pier 45 Shed C project. Supervisor Peskin is the sponsor on that legislation.

Goal: To brief legislative offices (federal, state and local) regarding Port issues and operations twice a month.

Performance Measure: Number of monthly briefings with legislative offices regarding Port issues and operations.

In November and December of 2001 and January of 2002, Government Affairs has briefed a number of members of the Board of Supervisors, as well as our State delegation on a variety of Port industry, security and economic issues. We have also briefed the Mayor's office on State and Federal funding priorities for the coming year's budget.

Other Legislative Activity:
In the last quarter, Government Affairs responded to 3 inquiries from the Board of Supervisors regarding various Port functions.

We are currently working with our Federal lobbyists and representatives on having input in the Port Security Act (S. 1214) and ensuring the Port of San Francisco receives appropriate funding to enhance seaport security. We are also in discussions on the State level as well.

IV. COMMUNICATIONS

A. PUBLIC AFFAIRS

Goal: To create positive image of the Port and increase public awareness of maritime activities and major waterfront projects.

During the 4th quarter of 2001, the Port received publicity in approximately 25 articles in local newspapers and maritime trade publications. News coverage on Port related activities included: San Francisco's Niche in Bulk/Break Bulk Cargo; Additional Cruise Business for S.F., Rincon Park Project, F. Alioto Lawsuit, Mills Corp/Piers 27-31 project, San Francisco Ferry Terminal Project, Harry Bridges Plaza, Waterfront Security, Decline in S.F. Tourism, Pier 1 Restoration Project, State legislation on Bryant Street Pier Project, Fleet Week Cancelled, Crab Season Opens/ Strike, Mirant's Potrero Hill Power Plant, Central Waterfront, Ferry Building Siren, Signature Yachts Moves to Pier 9.

The Port received media coverage on KCBS and KGO radio stations, and local television stations Channels 4,5, 7, and 20. In addition, articles appeared in the San Francisco Examiner, San Francisco Chronicle, San Francisco Business Times, Pacific Shipper Magazine, Organized Labor, SF Independent, SF Bay Guardian, Landscape Architecture, and Urban Land.

The Communications Department issued five (4) press releases to local and trade media; and two (2) sets of press clippings to Port Commissioners, staff and Mayor's office and members of the Board of Supervisors.

Goal: To build strong relationships with key media contacts, political constituents, Port tenants, cruise lines, community organizations and other targeted audiences.

Held meetings with Kathy Paver, Pier 39, Bobby Winston, Bay Crossings, Alison Healy, Tall Ships 2002, Steve Ginsburg, SF Business Times, Rodney Fong, Tom Creedon, and Alessandro Baccari, Fisherman's Wharf Merchants Association, Jeanette Caito, Caito's Fisheries.

Participated in the Mayor's America: Open for Business Program to revitalize the local and American economy. Distributed posters and flyers to Port tenants and business throughout the waterfront.

Communications Department and Maritime Division participated in Alameda County Transit Authority - Focus on the Future Mobile Workshop - co-sponsored with Port of Oakland and Water Transit Authority a harbor tour for more than 100 local civic and community leaders attending the conference.

Conducted Port tour for 15 gifted students attending various high schools in Pacifica and Daly City.

Coordinated with Planning & Development and Maritime Divisions to conduct Port tour of Southern Waterfront for 50 members of the Leadership San Francisco Program. Concluded coordination of providing meeting space and support to the San Francisco Architectural Foundation's Build San Francisco Project 2001, a twelve-week mentoring program for high school students. The program offers approximately 25 students the opportunity to learn about and play a role in the design of San Francisco. The Ferry Building was selected as a major project for the students to study.

Strategies:
Target key lines of business of promotion through public relations roundtable of tenants.
Plan and implement media advocacy activities to advance the Port's public policy.
Generate positive publicity and communicate key messages through marketing promotions, article placements, newsletters, annual reports and the Port's web site.

Program Objective: Produce Monthly Employee Newsletter

Produced and disseminated three (3) employee newsletters. Completed a total of 12 newsletters for the calendar year.

Program Objective: Produce the Port's Annual Report.

Completed layout and design, drafted copy and completed photograph selections for 2001 Annual Report.

Program Objective: Improve the Port's Web Site by creating a more exciting, informative and interactive web page.

Updated photographs and biographies of Port Commissioners and Senior Staff. Updated Planning & Development and Maritime Division sections of the Port's web site.

Program Objective: Develop marketing kit to inform, engage and gain public support of Port activities.

Worked with graphic designer and Maritime Division to complete Marketing Brochure.

Produced Port's Holiday Card that was sent to Port tenants, vendors, City officials and business associates. The holiday card design was tied to the theme of the marketing campaign for Fisherman's Wharf.

Public Record Requests
Responded to approximately 15 public records requests from the press and/or public for Port documents pertaining to tenant leases, Port Commission meeting records, Piers 27-31, the Bryant Street Pier Project, SF Ferry Terminal Project, Pacific Marine Yachts lease, RMC Pacific lease.

Employee Events
Led a cross-divisional team in coordinating the Port's annual holiday luncheon at Fishermen's Grotto #9 on December 14, 2001.

Fisherman's Wharf Marketing Campaign
Worked with the Port's Real Estate Division and the Fisherman's Wharf Merchants Association to launch a three-phase marketing campaign in Fisherman's Wharf to help boost tourism following the September 11th tragedy. The campaign entitled - Rediscover San Francisco and Fisherman's Wharf included a combination of print advertisements, 30 second television spots that aired on cable channels throughout Northern California and a new banner program along Jefferson Street to Hyde Street Harbor at the Wharf.

B. INFORMATION SYSTEMS

Goal: To provide information systems that meet the business needs of the Port.

Business applications projects are underway that are deemed to be advantageous to this business goal. Specifically, active applications projects include Property Management & Billing, Facility Maintenance Management, and Facility Cost Accounting.

Goal: To provide support services to all divisions of the Port in a cost effective and timely manner.

Annual IS Questionnaire returns indicate that the IS Group service/support levels are increasing each year for the past three years. Overall level of support is indicated to be in the good-to-excellent range. During the quarter, the IS Group provided special support services in the following areas:

- Supported the Port HR Group in creating a special examination environment for the Regulatory Specialist recruitment
- Production support for three editions of *All Hands on Deck* newsletters
- Updated Port job postings on Port website
- Participated on Port Emergency Operations Plan (EOP) Team
  Supported SF Election Commission by providing special telephone capabilities at Pier 1 (during City election)

Strategy: Implement the Information Systems Strategic Plan.

Work plans for each section (see below) are based to a large degree on the goals and objectives that have been documented in the Information Systems Strategic Plan.

Strategy: Prepare work plans for each section and review with managers.

Each section has maintained an up-to-date work plan. These work plans are reviewed with managers and employees on a quarterly basis.

Program Objective: System downtime: Port-specific systems (desktop applications, data, and financial systems) will be accessible at least 98% of the time during normal business hours (8:00 a.m. to 5:30 p.m.).

Over the long run, downtime for the Port IS Network has been minimal. In spite of a hardware failure with one of our data switches in the north switch room at Pier 1 during this quarter, uptime for this quarter was maintained at a 99.5% level.

Program Objective: Service and support calls will be acknowledged no later than one (1) hour from receipt of the request or notice.

Virtually all service calls have been returned in less than one hour. In the majority of cases, service calls have been handled on a "real time" basis.

Program Objective: Design, develop, test, and implement Property Management and Billing System.

Progress made on this project during the quarter is as follows:

— Completed all data entry for production database
— Resolved problems in PROPworks/Oracle Financials interface [Customer, Invoice, and Payment]
— Completed the majority of system testing and quality assurance (QA) activities
Completed planning for full production implementation in mid-February 2002

Program Objective: Design, develop, test, and implement Facility Maintenance Management System.

Progress made on this project during the quarter is as follows:

— Worked with City Attorney and Wonderware legal staff to complete all negotiations for services contract, software license, and Statement of Work (SOW); documents signed and filed with all appropriate entities
— Held intensive week-long series of meetings and worksessions to complete site assessment and gather Port Maintenance statistical data
Created first draft of detailed project plan

Program Objective: Upgrade Lotus Notes System to current release level V5.0 by July 31, 2001.

Due to the advent of the Citywide E-Mail project, this objective has been put on hold until it is known exactly when the Port will be cut over to the Citywide System

Program Objective: Implement a Port Information Systems Disaster Recovery Plan by January 1, 2002.

A five-year agreement was signed with IBM as a disaster recovery site. A project is underway to produce a comprehensive recovery plan and procedures for the Port IS network. Additional disaster recovery equipment is planned to be purchased and installed later in the fiscal year

Program Objective: Implement various systems and network enhancements by January 1, 2002.

Systems & Network Infrastructure improvements during the quarter include the following:

- — Implemented upgrade to Adobe Illustrator software for Planning Department
- — Significant increase made to Oracle UNIX file systems in support of PROPworks production database
- — Updated computer virus detection software
- — Installed new Chatsworth rack at Pier 50D in anticipation of installation of backup servers in January
- — Completed significant upgrade to Baltic Oracle file server disk configuration Doubled disk capacity on main NetWare server Pacifica

Program Objective: Replace CD/ROM server.

This project was eliminated from the work plan due to the lack of a current need for this equipment
Objective: Replace and/or add workstations and printers on an as-needed basis

Equipment installations during the quarter include the following:

- — Installed new color printer at Pier 50D
- — Installed new high speed black & white network laser printer at Pier 50D
- — Installed and replaced a number of new workstations including one with modem dial-up capability at Fisherman's Wharf office
  Ordered, configured and installed new notebook computer for Port Maintenance Manager

Program Objective: Replace *Golden Gate* SMTP server and *Atlantis* Lotus Notes server with upgraded equipment.

Atlantis server replacement was completed during this quarter.

Program Objective: Implement a new Port website on the DTIS web server and enhance the site with new content and dynamic applications by January 1, 2002.

Internet and Intranet websites are updated on a regular/ongoing weekly basis.

Program Objective: Migrate all Pier 50D applications to standard Port platforms by January 1, 2002.

All applications that were required to be converted have been completed. An example of this was the Vehicle and Equipment Database that was converted from Paradox software to MS Access earlier in the fiscal year.

Program Objective: Reorganize IS Port Network elements by April 1, 2002.

This project has been dropped from the work plan due to a lack of priority as contrasted with other, more pressing, projects.

Program Objective: Perform analysis of Port Financial Systems by April 1, 2002.

This project will be accomplished later in the fiscal year.

Program Objective: Analyze and replace timekeeping/payroll subsystem by June 30, 2002.

Developed and implemented completely new timesheet printing subsystem that reduces cost and improves timeliness and accuracy. Project to assess complete replacement of payroll subsystem will be accomplished later in the fiscal year.

V. BUSINESS SERVICES

Objective: Process requisitions within two business days of request.
Approximately 85% of all requisitions this quarter have been processed within the time frame. The balance of 15% were problematic and needed further review of the specifications before an order could be placed.

Objective: Availability of Office Supplies – 95% of the time.
Maintained the 95% fill-ratio especially on items kept in inventory. Other non-inventory items are generally filled on a "Just-in-time" process and the requested items are available within 48 hours of the request.

Objective: Process payments against purchase orders on term
This is ongoing and effort continues to secure available discounts by making payments on term.

Administrative Operations:
Business Services has maintained consistent coverage of the reception desk – receiving calls, transferring or taking messages for Port staff. The receptionist was commended at the end-of-the-year employee recognition program and she continues to perform her duties very well.

The transfer of Port file records from Iron Mountain to the new contract vendor (Simba) is ongoing and progressing just fine. The new vendor is responsible, per contract award, to remove all City & County file records in storage with Iron Mountain to their own facilities and as of mid-month the transfer is continuing, so Port staff will be advised not to return or send any new records to Iron Mountain but rather to keep all retrieved boxes here until the new vendor, Simba, can pick them up.

The satellite TV system requested after the events of September 11, 2001 is being installed later this month in an effort to improve the Port's overall security and communications programs in the event of an emergency as happened on September 11, 2001 when staff was unable to follow directives timely as the event unfolded.

Facilities:
New employee name plaques are being implemented later in the week. Each employee nameplate will have his/her name and title in print and installed by the end of the week.

There were some complaints for a few employees whose requests to purchase portable heaters were denied. They were reminded that this issue was addressed prior to our move to Pier 1, advising everyone that portable personal appliances will not be allowed. However, in view of the complaints, the building engineer will maintain the temperature at a range of 70 to 74 degrees. The temperature was monitored over a week's period and confirmed the temperature readings with the individuals who had complained.

Business Services continues to take requests for new furniture items to be charged against the project funds that Mary Ilyin administered – two cubicles are also being reconfigured in addition to the assortment of items. There is approximately $45,000 left in the project fund.

The Executive Director, Mr. Wong, has indicated that he no longer needs new furniture for his office. Business Services will order new tables for the executive conference room and the just established meeting room next to the Communications Manager's office.

Business Services still maintains an inventory of furniture items at the vendor's storage for a monthly fee. Staff will determine in the next few weeks if most of the items can be used now or should be stored on Port property bearing in mind any warranty issues that may come up.

Purchasing:
Business Services continues to process requests for purchase order as needed and process payments against completed purchases in a timely manner in order to get any net discounts available for timely payment.

Requisitions are also more scrutinized in order to ensure that only the equipment approved in the budget for FY 01/02 is being requisitioned and substitutions are also documented in the equipment report.

Budgets:
In an effort to present a balanced budget for FY 02/03, Business Services, in consultation with Tom Petersen, recommended the partial suspension of the vehicle replacement plan. As a result, only four critical needs for vehicles were identified in the next budget, yielding approximately $650,000 to count towards the required cuts in Operations Division. Operations Division managers are also being approached to identify where in their budgets additional funds can be had to make up for the projected revenue shortfall.

VI. ACCOUNTING

Goal: To provide accurate and timely financial reports.

Financial statement reports have been prepared timely in accordance with established schedule and performance standards. Financial statements for June 30, 2001 were issued with the auditors' unqualified ("clean") report on October 8, 2001.

Goal: To provide support services to all divisions of the Port in a cost effective and timely manner.

Staff continues to provide responsive customer service.

Goal: To support the development of financial systems applications.

PROPworks (lease management and billing system) is in process. Implementation team has addressed key software configuration issues and completed substantial testing. Subject matter experts within the accounting group continue to be available to work with the project teams for other open IS project: (1) Facility Cost Accounting and Reporting; and (2) Facility Maintenance Management System.

Goal: To provide financial analysis support for Port projects.

Finance section provides the primary support for prospective projects and/or negotiations. Accounting maintains the cost accounting records and provides regular reports for those projects that are in progress.

Strategy: Document accounting policies, procedures and reconciliation necessary to ensure accurate and timely financial reporting.

No new accounting policy or procedure was issued during this last quarter. Billing procedures will be revised and updated with the implementation of the new billing process in PROPworks. The auditors have suggested an update to our accounting policy and procedures for capital assets and other long-lived assets. We will proceed with a review and update in the next quarter.

Strategy: Prepare work plans for each section and review with managers.

Work plans and performance standards were reviewed and updated in December 2001.

Program Objective: To complete accurate monthly financial statements by the 20th of the following month.

All monthly reports were completed timely.

Program Objective: To report budgetary status of all capital projects monthly by the fifth business day following the end of the month.

All monthly reports were completed timely.

Program Objective: To process approved and coded invoices for payment within three business days of receipt.

Completed virtually 100% of the time for documents that are "property approved and coded." ("Process" means to complete Port accounting review and enter payment request into the City system. Additional City process is required in some instances.)

Program Objective: To resolve all audit management letter comments by June 2002.

The auditors submitted a preliminary or interim management letter report (dated July 11, 2001) to the Audit, Labor and Government Efficiency Committee. The letter reports only the current status of prior recommendations and contains no new recommendations as the result of their preliminary audit work. The final letter should be issued within the next quarter.

VII. FINANCE

Objective: To compile and produce an annual Port budget per the budget schedule.

FY 2001/02 annual Port budget was completed according to the budget schedule.

Objective: To complete budget analysis variance analysis and projections quarterly by the 30th of the second month following the end of the quarter.

Performance Measures: Date that the budget analysis variance analysis and projections were completed.

The first quarter FY 01/02 budget analysis variance and projection was completed on November 26, 2001 but was signed off on by senior management on December 28, 2001. Finance staff anticipates completing the second quarter report by February 28.

Objective: To complete financial statement variance analysis and projections quarterly by the 15th of the third month following the end of the quarter.

Performance Measures: Date that the financial analysis, variance analysis and projections were completed.

The first quarter FY 01/02 financial analysis, variance analysis and projections were not done because it was too much for the Acting Finance Manager to do all the finance work alone due to a shortage in staff. A new Finance Manager started in December 2001, thus eliminating the Finance Department's staffing shortage. Finance Department staff anticipates completing the second quarter financial analysis by March 15th.

Objective: Compile and produce annual capital plan for approval by the Port Commission by February 28, 2002.

Performance Measures: Capital Plan completed by February for Port Commission approval.

On November 15, 2001the Acting Finance Manager conducted a meeting of the Capital Planning Finance Committee. Finance Department staff then prepared a draft FY 2002/03 Capital Plan based on the funding decisions made by the Committee. It is anticipated that FY 2002/03 Capital Plan will be ready for Port Commission approval at their February 12, 2002 meeting.

Objective: To produce and deliver a comprehensive update of the Port's economic impact report by June 29, 2002.

Performance Measures: Date the economic impact report is updated.

Finance previously planned to hire the firm of Martin and Associates (the same firm that prepared the economic impact report) to do the update. Due to projected revenue shortfall, Finance now anticipates preparing a contract during the latter part of the third

quarter instead of second quarter, or the early part of the third quarter. Finance plans to reduce the contract. Expect to complete this objective by the end of FY 01/02.

Other activities and accomplishments

In addition to the above goals and objectives, the Finance Department has worked to assist the Port's other divisions in their financial needs, and help them in accomplishing the Port's overall goals and objectives. Significant activities in this area include:

- Chudi Chuba started on December 10, 2001 as the new Finance Manager.

- On a quarterly basis, Finance Department staff have prepared for the Executive Director's review and signature a report on the rate of budgeted expenditure. These reports have been requested by the Board of Supervisors. The first quarter report was signed by the Executive Director and delivered to the Board on October 15, 2001, and the second quarter report was signed and delivered to the Board on January 15, 2002.

- Finance department staff arranged Port tours and meetings with the Port's Chief of Operations for the Board of Supervisor's budget analyst for the Port, and the new Port budget analyst from the Mayor's Office.

- Finance Department staff worked closely with the City Attorney and Engineering Department staff, and outside legal counsel, to obtain insurance funds to seismically upgrade Pier 48 (necessary because a fire in 1996 caused extensive damage thereby triggering provisions of the building code which require the seismic upgrade), and resolve a lawsuit which the Port was pursuing against the insurers. As a result of the efforts of all of the team's members, the case was settled before going to trial.

PORT OF SAN FRANCISCO

MEMORANDUM

March 7, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Brian McWilliams
Hon. Denise McCarthy
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

Most of the Port's property consists of former public tidelands, which are held in public trust for the people of California. As trustee since 1969 pursuant to the Burton Act, the Port Commission is responsible for managing this property on a self-supporting basis to promote navigation, fisheries, maritime commerce, protect natural resources and develop recreational uses that attract people to enjoy the Bay and waterfront. The Port Commission's land use policies for all property under its jurisdiction are contained in the Waterfront Land Use Plan and its Waterfront Design & Access element ("Waterfront Plan"), approved in 1997, as amended. The Port has been working on a number of projects to implement this Waterfront Plan. These projects include additional community planning within specific sub-areas of the waterfront, as well as commercial development, maritime and open space / public access projects. The purpose of this report is to identify and provide an update on the status of the major projects underway which are managed by the Planning & Development Division.

THIS PRINT COVERS CALENDAR ITEM NO. 6A

MAJOR PLANNING PROJECTS

BCDC and Port Coordination

On July 20, 2000, the San Francisco Bay Conservation and Development Commission (BCDC) and Port Commission unanimously approved amendments to BCDC and Port plans for the San Francisco waterfront. This historic achievement was the result of four years of coordinated planning by BCDC, the Port, Save San Francisco Bay Association, (Save the Bay), the San Francisco Planning Department, and the waterfront community. As a result, BCDC and Port plans now share objectives for creating major new public plazas, open water basins and public access improvements while providing more flexibility to carry out projects consistent with the Public Trust Doctrine for Port property located between Pier 35 and China Basin.

The amended BCDC and Port plans set forth a funding and implementation schedule to realize the removal of specified piers to create open water basins, and to develop two new plazas, one in the Northeast Waterfront subarea (the Northeast Wharf Plaza) and the other in the South Beach Waterfront subarea (the Brannan Street Wharf). The Port has completed the first step in this program in July 2001 with the removal of Pier 34, which is located next to the proposed Bryant Street Pier and cruise terminal project at Pier 30-32.

The removal of Pier 34 opens up a portion of the future site of the Brannan Street Wharf Plaza. To ensure a high quality of design for this new public plaza, the Port and BCDC selected a design consultant team led by Sasaki Associates, and established the Brannan Street Wharf Citizens Advisory Committee to develop a conceptual design. To date, several public workshops and a Port Commission public hearing on February 12, 2002 have been held to present three alternate designs that have emerged through the community process, which will inform the ultimate recommended conceptual design for the Brannan Street Wharf. (For more details on this project, please refer to the Brannan Street Wharf status report attachment in this memorandum, under Item 10.)

Historic Preservation Planning

The Waterfront Plan includes policies to restore, preserve and rehabilitate Port historic resources. As described in further detail in this report, the Port has completed or is currently undertaking several important historic restoration projects: Pier 1; Ferry Building; Piers 1½ - 3 - 5; Pier 43 Ferry Arch; Pier 45; Piers 29-31; and the Pier 70 Development Opportunity Site, which includes restoration of historic Union Iron Works/Bethlehem Steel buildings.

To recognize the importance of the collection of historic resources in the Port's northern waterfront, the Port has hired URS, Inc's historic preservation team lead by Michael Corbett and Denise Brady to prepare documents to nominate a Northern Waterfront Maritime Historic District to the National Register of Historic Places (National Register). The historic resources in this proposed Northern Waterfront Maritime Historic District, located between Pier 45 and China Basin, have been recognized by the Port Commission and San Francisco Bay Conservation and Development Commission (BCDC), when both bodies amended their

respective plans for the San Francisco waterfront. The National Register historic district nomination is planned to be complete and forwarded to the State Historic Preservation Office in June 2002. To accompany this effort, Port staff also will be developing design criteria to provide guidance in the rehabilitation of National Register listed historic resources which, following public review and comment, will be incorporated into the Waterfront Plan's Design & Access element.

Southern Waterfront Planning

At the direction of the Port Commission, the Southern Waterfront Advisory Committee (SWAC) was established to provide regular communication between the Port and the Southern Waterfront community. The SWAC, made up of representatives of neighborhood, maritime, environmental and labor interests, meets monthly and provides input and recommendations on land use, planning and environmental issues affecting generally that portion of the Southern Waterfront from the Western Pacific site to India Basin. All proposed Southern Waterfront leases are presented to the SWAC for review, comment and recommendation prior to being considered by the Port Commission for approval.

The Port has received several lease proposals for Pier 80, and Piers 90 through 96 in the Southern Waterfront. Many are for maritime industrial or other industrial activities north and south of Islais Creek. In addition, the Port is proposing projects to improve Port maritime operations, including the Illinois Street rail and truck bridge between the Port's North and South cargo terminals. A number of these proposed uses (e.g. concrete-batching plants, crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview/Hunter's Point neighborhood. The proposed projects have been evaluated in a Final Supplemental EIR (SEIR) to the Waterfront Plan EIR, which was completed in February 2001. The SEIR includes a series of mitigation measures, which have or will be incorporated, as relevant, in any proposed leases considered for approval by the Port Commission. The Port Commission has emphasized its commitment to ensuring that all new leases incorporate state-of-the art mitigation measures. Towards that end, the Port has developed a dust mitigation-monitoring program. In addition the Port, working cooperatively with the Alliance for a Clean Waterfront, has hired a consultant team headed by Treadwell and Rollo and Watershed Resources Collaboration Group to develop a concept study of a natural-based stormwater management program for mixed industrial and commercial uses, consistent with stormwater regulatory requirements.

In addition to evaluating current lease proposals, the Port is working with the SWAC and interested community to conduct further development planning for land located upland of the Port's marine terminals, the "Pier 90-94 Backlands". This effort began with the July 2001 completion of a Maritime Industrial Study, produced by a team of maritime, planning and economic consultants to identify maritime market trends and facility needs in the Southern Waterfront. This information is fundamental to determining the degree to which land within the Pier 90-94 Backlands may be available for other uses. The process for identifying potential other uses will be conducted with the SWAC and other interested community organizations.

Fisherman's Wharf Area Planning

When BCDC and Port Commission on July 20, 2000 amended their respective plans for the San Francisco waterfront, they added a new policy for the Fisherman's Wharf to conduct a future planning process for developing a major public plaza extending to the Bay within the area bounded by Jefferson, Powell and Taylor Streets. This Fisherman's Wharf plaza planning process would involve Port tenants, the Port, the San Francisco Planning Department, BCDC, Save the Bay and other interested parties to address the many issues associated with this plaza. The goal of this planning process is to establish a plan and implementation program for effectuating the plaza as part of an overall review of planning policies for the Fisherman's Wharf area. The staffs of the Port, the Planning Department and BCDC are currently outlining the upcoming community planning process.

The Fisherman's Wharf Waterfront Advisory Group meets monthly to provide Port staff with input and guidance on planning issues concerning the Fisherman's Wharf Area. The focus of this advisory group is currently on fishing industry and environmental improvements to Pier 45. While it is anticipated that the Fisherman's Wharf Waterfront Advisory Group will be involved in the planning process for developing a major public plaza at Fisherman's Wharf, the exact role of this advisory group and others has not been finalized.

MAJOR COMMERCIAL DEVELOPMENT, MARITIME, AND OPEN SPACE PROJECTS

Attached are Project Summary Sheets for each of the major commercial development, maritime and open space projects currently being managed by Planning & Development Division staff. Planning & Development's lead staff member for each project is indicated in **bold**. A Project Location map, which is included on the next page, shows the location of each project referenced in this summary. A Summary Schedule, which is attached at the end of this report, shows the basic timeline for each project.

These major commercial development, maritime and open space / public access projects are of two fundamental types:

1. Public / Private Partnership Projects. The Port's Waterfront Land Use Plan identified several Waterfront Mixed Use Opportunity Areas where commercial development is encouraged as a part of mixed use developments which also include maritime, open space and public access uses. Such projects are typically undertaken as public / private partnerships, in which the Port enters into a development agreement and long-term lease with a private developer who is selected through a request for proposals process.

2. Port Projects. In addition to public / private partnership projects in Waterfront Mixed Use Opportunity Areas, the Port undertakes public projects throughout the San Francisco Waterfront. These Port projects involve maritime, open space and public access uses. For large Port projects (such as ferry terminals and the Hyde Street Harbor), the initial planning is typically managed by the Port's Planning & Development Division. After this initial planning is completed and most or all of the regulatory entitlements have been

secured, the management for these projects is transitioned to the Port's Engineering & Maintenance Division. Smaller Port projects (such as the Pier 43 Arch restoration) are typically managed throughout by the Port's Engineering and Maintenance Division.

In order to understand the full scope of Port projects currently in process, it is therefore important to review both this status report of Planning & Development projects and the concurrent status report of Engineering & Maintenance projects.

Prepared by: Byron Rhett, Director, Planning & Development

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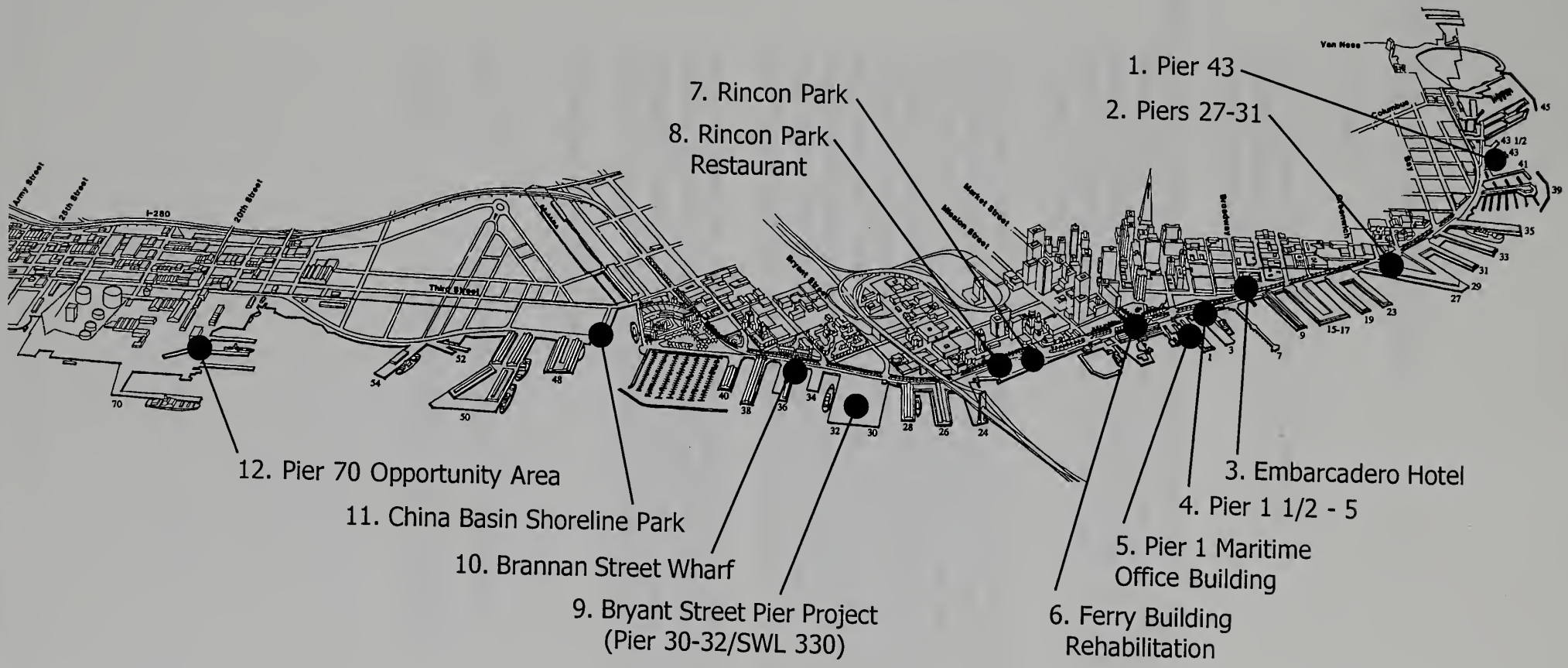
Port of San Francisco

Planning and Development Project Map

March 2002


1. Pier 43
2. Piers 27-31
7. Rincon Park
8. Rincon Park Restaurant
3. Embarcadero Hotel
4. Pier 1 1/2 - 5
5. Pier 1 Maritime Office Building
6. Ferry Building Rehabilitation
9. Bryant Street Pier Project (Pier 30-32/SWL 330)
10. Brannan Street Wharf
11. China Basin Shoreline Park
12. Pier 70 Opportunity Area

1. PIER 43 PUBLIC FERRY TERMINAL

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner
Denise Turner, Wharfinger

PROJECT DESCRIPTION A public ferry terminal will be constructed at Pier 43, adjacent to the historic Ferry Arch which is currently being restored by the Port, to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will include a floating berth, pilings, gangway system, and ramps to connect to Pier 43.

STATUS The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal. The City of Vallejo has hired a design team and, working with Port staff, has developed a preliminary design and 60-percent construction drawings for the terminal. The City of Vallejo is currently completing the environmental review for the project and seeking necessary funds to match the most recent cost estimates.

APPROVALS The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and the San Francisco Regional Water Quality Control Board (SFRWQCB).

PRIMARY CONSULTANT Moffatt and Nichol Engineers

SCHEDULE

June, 1998	Cooperative Agreement finalized
Fall, 2000	Applied for BCDC and other permits

2. PIERS 27 – 31 MIXED USE RECREATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Chestnut/Lombard Street Piers Mixed Use Opportunity Area

PROJECT STAFF Byron Rhett, Director, Planning & Development Division
Curt Watts, Development Project Coordinator

DEVELOPER **SF Piers 27-31 LLC**
The Mills Corporation, a real estate investment trust
Steve Jacobsen, Executive Vice President Development (847-263-7500)

PROJECT DESCRIPTION Development and operation of a 19-acre mixed use Recreation Project on Piers 27 – 31. This project will create a local and regional destination that provides a wide range of recreational activities. The project will provide 203,200 s.f. of indoor active recreation and marine sports facilities, including an approximately 110,000 s.f. YMCA, and an additional 88,000 s.f. of outdoor recreation and marine sports facilities. The proposed project will also include approximately 220,000 s.f. of second floor office space, 106,000 s.f. of recreational-related retail stores, and 34,000 s.f. of restaurants and cafés. It will also provide a public access network through and around Piers 27 – 31, and create the Northeast Wharf Plaza at the Embarcadero edge of Pier 27.

STATUS On April 18, 2001, the Port Commission awarded The Mills Corporation the opportunity to enter into an exclusive right to negotiate agreement for the development and lease of Piers 27-31 for its proposed mixed use Recreation Project, subject to thirteen conditions including a re-design of the original plan of development. The developer's alternate project submittal was delivered to the Port's offices on September 12, 2001, and a public informational presentation of this alternate project was made to the Port Commission on September 25, 2001. A development memorandum incorporating the project's redesign and proposed financial terms for the lease is currently being discussed by the parties as an initial step in the project's future public approval process. The current deadline for execution of the development memorandum is March 15, 2002.

PROJECT APPROVALS The project requires CEQA review by the Planning Department Major Environmental Analysis, and requires approvals by the Waterfront Design Advisory Committee, Port Commission, BCDC, and the Board of Supervisors, as well as the Army Corps of Engineers and the SFRWQCB.

DEVELOPMENT TEAM D'AIQ and Michael Willis Architects (architecture); SWA (landscape architects); Carey & Co., Inc. (preservation architects); Kay & Merkle, and Reuben & Alter (legal)

SCHEDULE

March 15, 2002	Current deadline for execution of development memorandum (required prior to public approval process for overall project, development agreement and lease).
June 12, 2002	Expiration of First Option Period under current exclusive right to negotiate agreement
March 2003	Projected start of construction
January 2005	Projected completion of construction

3. THE EMBARCADERO HOTEL (Seawall Lots 322-1, 323, 324)

TYPE OF PROJECT Public/Private Partnership Project
Broadway Pier Mixed Use Opportunity Area

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator

DEVELOPER **Stanford Hospitality, Inc.**
Todd Motoyama, Project Manager (415-398-3333)

PROJECT DESCRIPTION Development of a first-class, four-star, full-service hotel consisting of approximately 400 guest rooms, with a restaurant, lobby bar, European Spa and fitness center, meeting rooms, retail shops and a parking garage on Front Street. The Site is located at Broadway and The Embarcadero and contains approximately 2.5 acres, including Seawall Lots (SWLs) 322-1, 323, 324 and a City-owned parcel.

STATUS Negotiations have been on going. No brand has been selected yet, but the hotel will be similar in size, function and quality to the Park Hyatt Hotel on Battery Street. The project has been presented to various community groups, the Northeast Waterfront Advisory Group and the Waterfront Design Advisory Committee. The design is undergoing further revisions.

APPROVALS The project requires CEQA review, design review by the Waterfront Design Advisory Committee, a conditional use authorization from the Planning Department, and a Certificate of Appropriateness from the Landmarks Preservation Advisory Board, and requires approvals by the Port Commission and the Board of Supervisors.

SCHEDULE

October, 2002	File Conditional Use Application
January 2004	Projected start of construction
January 2006	Completion of construction

4. PIERS 1½ - 3 - 5 REHABILITATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Ferry Building Mixed Use Opportunity Area

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator
Ed Byrne, Engineering Manager

DEVELOPER **San Francisco Waterfront Partners, LLC**
Dave Hatch, Project Manager (415-272-9842)

PROJECT DESCRIPTION Development and rehabilitation of Piers 1½, 3 and 5 bulkhead buildings, Pier 1½, and a portion of Pier 3. The project includes extensive public access walkways along the water, four food service establishments, new offices on the upper floors, a water taxi landing, guest boat docks, transient boat berthing and a ticket office/Visitor Center for Hornblower DiningYachts.

STATUS Negotiations are on going. The Environmental Evaluation application has been filed with the Planning Department; the developer has undertaken soil and pile tests; the Design Review Board of BCDC has reviewed the project; and the Waterfront Design Advisory Committee has reviewed the schematic designs. An application is being prepared to determine eligibility for placement of the buildings on the National Register of Historic Places.

APPROVALS The project requires CEQA review by the Planning Department and approvals from the Waterfront Design Advisory Committee, BCDC, the Port Commission and the Board of Supervisors.

DEVELOPMENT TEAM Hannum Associates (architect); Carey& Co. (historic architect); Pacific Affairs Management (environmental review); Primus (construction management); Farella Braun & Martel LLP (legal); Sheppard Mullin Richter & Hampton (legal); Holmes Culley (structural engineers)

SCHEDULE

August, 2002	Projected start of construction
February 2004	Projected completion of construction

5. PIER 1 MARITIME OFFICE BUILDING

TYPE OF PROJECT	Public/Private Partnership Project Ferry Building Mixed Use Opportunity Area
PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Jennifer Sobol, Development Project Coordinator** John Zoranovich, Construction Administrator
DEVELOPER	**AMB Property Corporation** Janice Thacher, Project Manger (415-394-9000)
PROJECT DESCRIPTION	Pier 1 has been converted from a parking garage to 150,000 square feet of Class-A office space. It houses the Port's administrative offices, AMB's headquarters, other office tenants and the Pier 1 Deli. Nearly one acre of new public access extends around the pier perimeter. The Port's Bayside Conference Rooms are available to the public after hours for meetings and events.
STATUS	Construction is complete. Port staff is creating the Port Story, a wall of photographs and exhibits to be installed on the Bayside History Walk, inside the Port's space.
AWARDS	**San Francisco Business Times**: Co-Winner, Best Rehab/Renovation Project of 2000 **Urban Land Institute**: Award for Excellence in Rehabilitation 2001 **Royal Institute of Chartered Surveyors,** London, England: Outstanding Achievement Award for Best Building Conservation 2001 and People's Choice Award for 2001 Building of the Year
DEVELOPMENT TEAM	Simon Martin-Vegue Winkelstein Moris (Pier 1 architect); Tom + Aguila (Port architects); Nibbi Brothers (general contractor)

SCHEDULE		
	December, 2000	AMB moved into Pier 1
	February, 2001	Port moved into Pier 1
	October, 2001	Completion of construction

6. FERRY BUILDING

TYPE OF PROJECT	Public/Private Partnership Project Ferry Building Mixed Use Opportunity Area
PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Curt Watts, Development Project Coordinator** John Zoranovich, Construction Administrator (Port Commission Room)
DEVELOPER	**Ferry Building Investors, LLC** (Wilson/Equity Office, Wilson Meany LLC, Primus Infrastructure and Real Estate Company, LLC) Project Managers: Chris Meany & Terry Reagan (415- 905-5300)
PROJECT DESCRIPTION	Restoration and rehabilitation of this National Register and City Landmark building that will recreate the historic Nave Bay the length of the building and will restore the historic facades. The project will include a ground floor marketplace, including retail food shops, restaurants, transportation and public uses, totaling approximately 100,000 sq. ft. The two upper floors will include office uses, the Port Commission Meeting Room, and circulation areas, totaling approximately 170,000 sq. ft.
STATUS	Under construction. Historic Preservation Certification Application for tax credits has received initial approvals. Projected completion of construction is September 2002.
APPROVALS	The project has received all necessary regulatory approvals.
DEVELOPMENT TEAM	SMWM (architect), Page & Turnbull (preservation architect), Baldauf Cotton Von Eckartsberg (retail architect), Plant Construction (general contractor)

SCHEDULE

March 2001	Lease conveyed
April 2001	Commencement of construction
September 2002	Projected completion of construction

7. RINCON PARK

TYPE OF PROJECT	Public/Private Partnership Project Rincon Point/South Beach Redevelopment Plan Area
PROJECT STAFF	Byron Rhett, Director, Planning & Development **Kari Kilstrom, Development Project Coordinator**
DEVELOPER	**The Gap Inc.**
PROJECT DESCRIPTION	Rincon Park is being constructed on an approximately 2-acre site adjacent to San Francisco Bay between Howard and Harrison Streets. The Port has leased the property to the Redevelopment Agency for $1 per year for 65-years to develop a waterfront park as proposed in the Port's Waterfront Land Use Plan, the City's General Plan and in the Rincon Point-South Beach Redevelopment Plan. The Gap Inc. is undertaking construction of the park pursuant to a Development Agreement with the Redevelopment Agency for construction of a headquarters building at Folsom Street and The Embarcadero.
STATUS	The Park is currently under construction with completion expected in August 2002.
PRIMARY CONSULTANTS	Olin Partnership and Office of Cheryl Barton (park design); Claes Oldenburg (sculpture design); Wilson Equity (project management)

SCHEDULE	September 2001	Construction of Rincon Park commenced
	August 2002	Projected completion of Rincon Park

8. RINCON PARK RESTAURANT

TYPE OF PROJECT	Public/Private Partnership Project Rincon Point/South Beach Redevelopment Plan Area
PROJECT STAFF	Byron Rhett, Director, Planning & Development **Kari Kilstrom, Development Project Coordinator** Leo Bragagnolo, Engineering Project Manager Mark Lozovoy, Real Estate
DEVELOPER	**Rincon Park Restaurants, LLC** Principal: Reed Hearon (415-956-5565)
PROJECT DESCRIPTION	The 20,000 square foot site is located at the south end of the approximately 2-acre Rincon Park which extends along The Embarcadero between Howard and Harrison Streets. The approved design includes two restaurants and an 8,000 s.f. outdoor dining "piazza" that opens into the park and waterfront promenade. The park and restaurant site is within the Rincon Point/South Beach Redevelopment Plan Project Area.
STATUS	On July 25, 2000, the Port Commission approved the Development Agreement (including the Ground Lease) and approved the Schematic Drawings for the Restaurant Site, and on October 19, 2000, the Board of Supervisors approved the Lease. As a result of delays in project financing, the park will be completed in advance of the restaurant project. As a result, the Port is considering cost-effective plans for interim improvements at the restaurant site and will negotiate with the developer regarding the timing and payment for installation.
APPROVALS	The project will require a permit from BCDC and a Building Permit from the Port.
SCHEDULE	March 2002 BCDC Permit Application August 2003 Projected start of construction (Above dates to be revised upon completion of project financing plan)

9. BRYANT STREET PIER PROJECT (PIER 30-32/SWL 330)

TYPE OF PROJECT
Public/Private Partnership Project
Bryant Street Pier Mixed Use Opportunity Area

PROJECT STAFF
Kirk Bennett, Manager, Waterfront Development Projects
John Doll, Development Project Coordinator
Leo Bragagnolo, Engineering
Gerry Roybal and Mike Nerney, Maritime
Jay Ach, Environmental

DEVELOPER
San Francisco Cruise Terminal LLC – "SFCT" (Lend Lease Development, PSA (USA) Inc., Chinese Maritime Transport Ltd., and Whitney Cressman LLC)
Project Manager: Maurice Cococcia (415-733-9248)

PROJECT DESCRIPTION
Development and operation of a mixed use project, which includes the new James R. Herman International Cruise Terminal, on the approximately 13-acre Pier 30-32 and 3-acre Seawall Lot 330. The Bryant Street Project will create a focal point for maritime, commercial and public activity between the Pacific Bell Ballpark and downtown. Development of Piers 30-32 will include approximately 325,000 net s.f. of office space, approximately 100,000 net s.f. of retail space, and an approximately 100,000 s.f. "state-of-the-art" cruise terminal. Development of Seawall Lot 330 will consist of residential uses.

STATUS
On January 11, 2000, the Port Commission approved entering into exclusive negotiations with SFCT, and negotiations are on going. On September 14, 2001, the State Legislature approved AB1389, which determined that, subject to certain conditions, the proposed office and retail components of the project are consistent with the public trust. On November 17, 2001, the draft Supplemental EIR was published. A public hearing on the SEIR was held on December 20, 2001, including a public comment period from November 17, 2001 to January 16, 2002.

APPROVALS
The project requires CEQA certification by the Planning Commission and the Board of Supervisors, and requires a variety of approvals from the Waterfront Design Advisory Committee, Port Commission, BCDC, the Board of Supervisors, the Army Corps of Engineers, and the SFRWQCB.

SCHEDULE

January 2000	Port Commission selection of developer for exclusive negotiations
May, 2002	SEIR certification expected
September, 2002	Project approvals expected
May, 2003	Projected commencement of construction
June, 2005	Projected completion of construction

10. BRANNAN STREET WHARF

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner
Anne Cook, Manager, Waterfront Development Projects

PROJECT DESCRIPTION Brannan Street Wharf is a new open space identified in the Port's Waterfront Design & Access element and the recently adopted BCDC Special Area Plan. It will be a bayfront urban park, containing approximately 57,000 s.f., to serve the neighborhood and the entire region, located on The Embarcadero between Piers 30-32 and 38. It will replace Piers 34 and 36. The scope of this project is to prepare a concept design plan for the Brannan Street Wharf. The park will likely include opportunities to walk out over the water, quiet spaces to enjoy spectacular views, and facilities for regional events.

STATUS The Board of the California Coastal Conservancy authorized a grant for $100,000 to the Port of San Francisco to develop a design plan for Brannan Street Wharf. On April 17, 2001, the Port Commission approved a contract with Economics Research Associates and Sasaki Associates as part of a consultant team to assist staff in conducting a public design process for the park.

Citizen Advisory Committee meetings and public workshops began in July, 2001, and will continue until about April, 2002. The design team and CAC are currently reviewing alternatives that respond to comments from the Port's and BCDC's joint design review committee. In preparation for the development of the Brannan Street Wharf, Pier 34 was demolished in July, 2001.

PROJECT APPROVALS The project will be presented to the Port Commission for consideration of approval and will require permits from BCDC, the SFRWQCB, and the Army Corp of Engineers.

SCHEDULE

July 2001	Pier 34 demolished
July 2001	Public design process began
Summer 2002	Projected completion of concept design

11. China Basin Shoreline Park

Type of Project	Shoreline Stabilization - Port Project Park Improvements – Public/private partnership
Project Staff	Diane Oshima, Manager, Waterfront Planning **Dan Hodapp, Planner**
Developer	China Basin Ballpark Company (San Francisco Giants)
Project Description	In conjunction with its development of the Pacific Bell Ballpark, the China Basin Ballpark Company (CBBC) will create an approximately 2-acre public park located east of Third Street between the south edge of China Basin Channel and Terry Francois Boulevard. Port staff has worked with CBBC in developing a concept design and reviewing it publicly with neighborhood organizations. The Port's Engineering Division completed a Shoreline Stabilization project in June, 2001, creating a permanent rip-rap edge that will support the park above.
Status	The concept design was recently completed and construction drawings are now being prepared. A portion of the park overlies the former "H&H storage tank facility". The Department of Toxic Substance Control (DTSC) must review and approve a closure plan prior to the start of construction. The Port is assisting CBBC with its efforts to obtain the necessary permit. Construction is expected to begin in the Spring of 2002.
Project Approvals	Environmental Review was certified and a BCDC permit was approved as part of the Pacific Bell Ballpark. BCDC's Design Review Board and the Port's design review consultants have reviewed the project design.
Primary Consultants	Pat O'Brien, Landscape Architects

Schedule	Nov 2001 - March 2002	Construction document preparation
	April 2002	Projected start of construction
	August 2002	Projected completion of construction

12. PIER 70 OPPORTUNITY AREA (PIERS 66-68/SWL 345, 349)

TYPE OF PROJECT
Public/Private Partnership Project
Pier 70 Mixed Use Opportunity Area

PROJECT STAFF
Byron Rhett, Director, Planning & Development
Kari Kilstrom, Development Projects Coordinator
Lynda Swanson, Development Project Coordinator
Marc Paez, Planner
Mark Lozovoy, Asst. Deputy Director, Real Estate

DEVELOPERS
AMB, LLC
Project Manager: Janice Thacher (415-394-9000)

The San Francisco Arts Future Consortium
Project Manager: Chris Meaney (415- 905-5300)

PROJECT DESCRIPTION
One of the Mixed Use Opportunity Areas established in the Waterfront Land Use Plan is an approximately 14-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several of the historic Union Iron Works/Bethlehem Steel buildings are included within this Opportunity Area as well as an extensive north-facing shoreline and the only bay access south of Aquatic Park. The Waterfront Plan allows non-maritime land uses in this area if they result in the preservation and adaptive reuse of the historic buildings; are consistent with the Waterfront Plan; and do not adversely affect nearby water-dependent uses or associated support services. New construction is permitted provided that public access improvements are extended to the water's edge, and other Waterfront Plan criteria are met.

STATUS
On August 22, 2001, the Port Commission agreed to enter into Exclusive Right to Negotiate agreements (ERNs) with AMB, LLC for the development and lease of a mixed-use project and with the San Francisco Arts Future Consortium (SFAFC) for development and lease of a non-profit arts project.

These ERNs provide for a 90-day period to permit time to develop a joint proposal that would serve as a comprehensive site plan for the entire Pier 70 Opportunity Area. It was to include updated financial proposals, a preliminary parking plan, new building heights, and locating important view corridors and open space elements. The Commission would then review the results of the planning process and determine the terms under which the Port would proceed with exclusive negotiations. This 90-day period was extended by the Commission on February 26, 2002, to June 12, 2002.

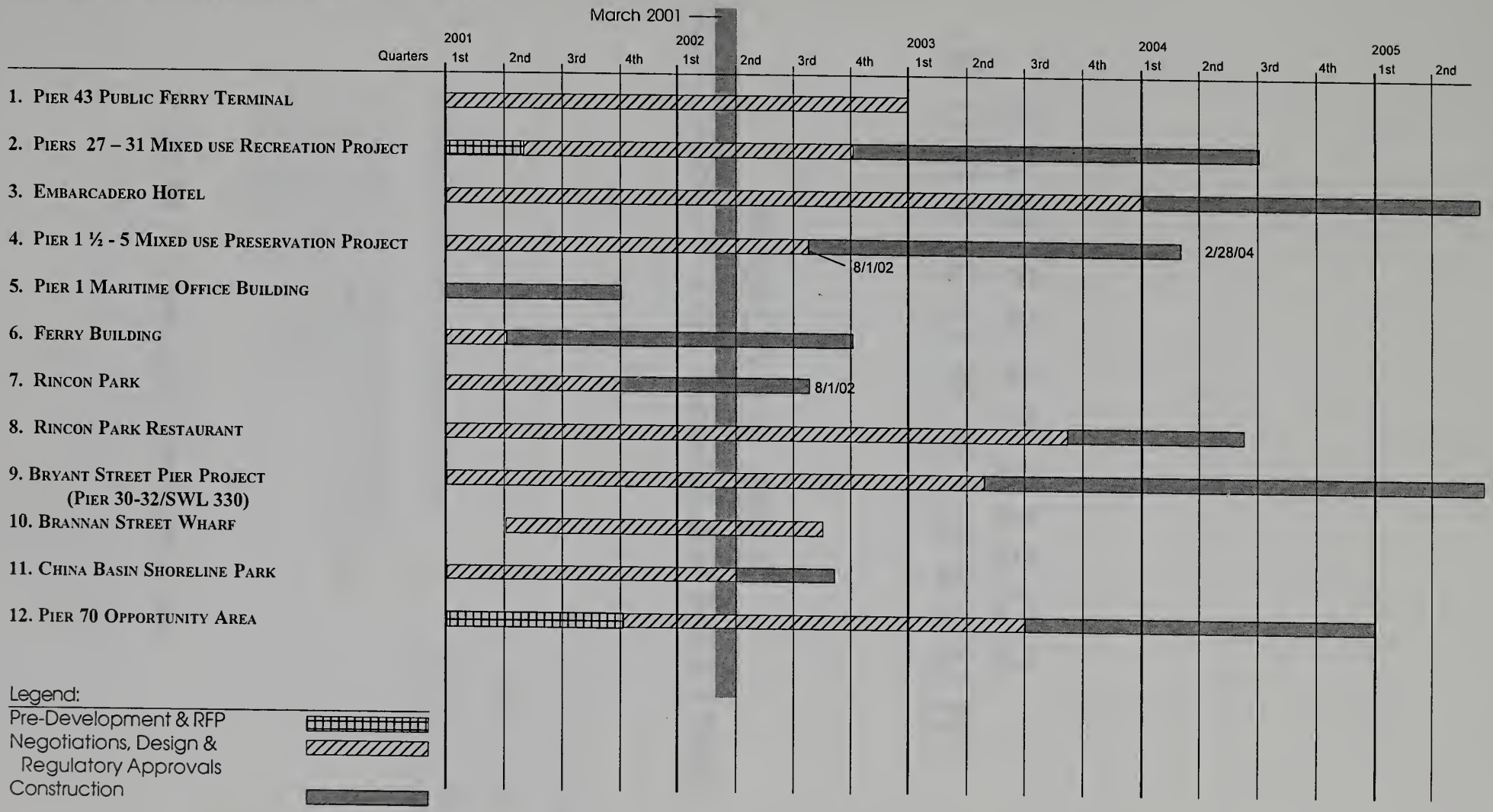
APPROVALS

The projects require CEQA review by the Planning Department Major Environmental Analysis, and approvals from the Waterfront Design Advisory Committee, the Port Commission, BCDC and Board of Supervisors, and perhaps the SFRWQCB and the Army Corps of Engineers.

SCHEDULE

August 28, 2001	Approval by the Port Commission to enter Exclusive Right to Negotiate agreements with AMB for a Mixed-Use Project and with the SFAFC for a Non-Profit Arts Project.
October, 2001	Entered into ERNs with AMB and SFAFC
February, 2002	Review by the Commission of the results of a 90-day site planning process and extension of an additional 90-day period as provided for in the ERNs
June, 2003	Projected commencement of construction on Mixed-Use Project
June, 2003	Projected commencement of construction on Arts Project

Port of San Francisco
Planning & Development Project Schedules


March 2001
Quarters
2001 1st 2nd 3rd 4th
2002 1st 2nd 3rd 4th
2003 1st 2nd 3rd 4th
2004 1st 2nd 3rd 4th
2005 1st 2nd
1. Pier 43 Public Ferry Terminal
2. Piers 27 – 31 Mixed use Recreation Project
3. Embarcadero Hotel
4. Pier 1 ½ - 5 Mixed use Preservation Project
8/1/02
2/28/04
5. Pier 1 Maritime Office Building
6. Ferry Building
7. Rincon Park
8/1/02
8. Rincon Park Restaurant
9. Bryant Street Pier Project (Pier 30-32/SWL 330)
10. Brannan Street Wharf
11. China Basin Shoreline Park
12. Pier 70 Opportunity Area
Legend:
Pre-Development & RFP
Negotiations, Design & Regulatory Approvals
Construction

SF
P55
#3
3/12/02
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SAN FRANCISCO
PORT COMMISSION

MARCH 12, 2002
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

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DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
MARCH 12, 2002

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 4:05 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Denise McCarthy, Brian McWilliams and Pius Lee.

2. APPROVAL OF MINUTES - February 26, 2002 Regular Meeting

Commissioner McWilliams amended his comments on page 15 of the minutes, deleting the word "the" before Marine and adding the word Corporation after Terminals.

ACTION: Commissioner Lee moved approval as amended; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. The minutes of the February 26, 2002 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported that last Thursday, Mayor Willie Brown held a press conference to announce "Herb Caen Days," a citywide celebration that will take place April 3-7, 2002. During these five days in April, San Francisco will pay tribute to the memory of Herb Caen, the Chronicle's Pulitzer Prize winning columnist for nearly 60 years. A variety of San Francisco restaurants and bars will honor Herb Caen through an array of specials by rolling back prices and offering special meals and Vitamin V martinis. Many of San Francisco's renowned cultural organizations will dedicate a performance or exhibition to Herb Caen, who was a true patron of the arts. Herb Caen Days is being sponsored by: Mayor's Office, San Francisco Visitors and Convention Bureau, San Francisco Chamber of Commerce, Golden Gate Restaurants Association, San Francisco Giants, MUNI, Fisherman's Wharf Merchants Association, and the Port of San Francisco. On April 4th, the Port along with the Fisherman's Wharf Merchants Association will host Herb Caen Day at Fisherman's Wharf. He invited everyone to participate in this exciting celebration to honor "Mr. San Francisco." Renee Dunn has been working with the Mayor's office and will keep the Commission abreast of the event's schedule.

4. CONSENT

A. Request for authorization to deliver temporary rail suspension agreement to Catellus Development Corporation, pursuant to the Memorandum of Modifications No. 4 (Mission Bay South Infrastructure Plan). (Resolution No. 02-07)

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 02-07 was adopted.

5. OPERATIONS

A. Presentation of the 2001Annual Report.

Chief of Operations Karen Clopton presented the Commission a copy of the Port's 2001 Annual Report. She emphasized that the cost to produce the annual report was not only 50% less than last year's but it was also completed ahead of schedule. A message from the Commission President was added in the annual report as a means of communicating to the public regarding the Port's goals and accomplishments as well as the Commission's vision for the future. In addition, at the end of the annual report is a list of all of the Port's advisory committees, acknowledging and thanking all the members for their work. She thanked Renee Dunn, Communications Manager, for her work on the annual report.

B. Informational presentation on Operations Division Status Report.

Ms. Clopton announced that she will be leaving the Port and will be joining the San Francisco State University's Foundation on April 1st.

Ms. Clopton emphasized the division's accomplishments for the last five months; the highlight of which was the submission of a balanced budget. The Commission approved the Operating Budget at its February 12, 2002 meeting and was subsequently submitted to the Mayor's Office on February 20th. The hearing on the City's budget will take place in late March or early April.

Ms. Clopton indicated that it has been a difficult year for the Port due to the loss of revenues and increased expenses. At this point, there is a projected forecast for a deficit. To cut cost, the Port is not going to fill any vacant positions. The Executive Director has also curtailed overtime work. Staff is also looking at cutting travel costs and other expenses. Staff is making every effort to end the fiscal year in the black.

Commissioner Brandon thanked Ms. Clopton for everything she's done at the Port.

6. PLANNING & DEVELOPMENT

A. Informational presentation on status of Planning & Development Projects.

Byron Rhett, Director of Planning & Development, indicated that staff provided the Commission a status report outlining the various private/public partnerships and public access projects. He indicated that his staff provides a number of presentations to the public regarding Port developments and has put together a power point presentation tailored to various audiences. The power point presentation is also available to the Commission for their use.

Mr. Rhett indicated that the Special Area Plan that was approved in summer 2000 did not include the Fisherman's Wharf area, only Pier 35 to China Basin. BCDC and Port staffs were directed to concentrate on developing plans for a major plaza when they begin work on Fisherman's Wharf. That planning process commenced last December. Dan Hodapp is the lead person for the Port working with BCDC. At the next briefing, staff will provide the Commission a schedule and its plan to get community participation in the planning process.

The Planning staff has also been working on a historic district nomination for the Northeast Waterfront. Mark Paez is the lead person for this project with assistance from outside consultants. Staff is optimistic that the nomination will be approved by the State.

Mr. Rhett indicated that staff reached agreement on the basic business points that would allow staff to start the entitlement process for the Pier 1- ½ to 5 project. Staff is looking for specific nominations for these historic resources as it would be the key to making a project work in order to get the tax credits. Staff hopes to get a preliminary approval from the State so that this project can stay on schedule. Construction should commence by August or September of this year.

The Ferry Building project is on schedule. The developer is looking to complete construction by the end of September. Staff is working with them on the parking plan agreed upon at the time the lease was signed. Staff will work with them to provide on-street parking to provide as much parking around the Ferry Building as possible to meet the needs of the retail tenants. Staff will work with the City to restripe parking along the Embarcadero so there will be parking available on Saturdays and Sundays.

The Rincon Park is under construction but moving slower than originally anticipated. The original completion of construction was April. The new construction completion date would be August of this year. Staff is working with the Gap to facilitate the process. The Commission approved an agreement with JCDecaux last year. They started the installation of the bathroom adjacent to the firehouse. They have approved the sites for the various kiosks. Staff is optimistic that this will be in place by the time the park is done. What won't be done is the proposed restaurant. When the park was being designed, it was hoped that the restaurant would be completed at the same time. Staff has worked with the Gap, the Redevelopment Agency to come up with a plan for an interim landscaping of the restaurant site area that will be very attractive and consistent with the quality of the rest of the park and will appear complete.

Staff has apprised the Commission of its negotiations with AMB and with the Arts Future Consortium regarding Pier 70. The Commission has agreed to the extension of the negotiation. Staff is optimistic of reaching an agreement with them to develop the opportunity area at Pier 70.

Staff is working with the City on the Mirant negotiations. Most recently, BCDC made a recommendation that if Mirant is to go ahead with its Unit 7 that it provides funds for open space in the Pier 70 area as opposed to 23rd Street. At a BCDC meeting, the

people from the community indicated their concerns with the 23rd Street location and supported the Pier 70 location, specifically to Pier 66 along the water. There is also community support for a back-up location at Islais Creek. Staff was pleased with BCDC's recommendation on how to use those mitigation funds for the Mirant development.

Regarding the Pier 90-94 backlands area, staff began the planning process in February when the SEIR was approved for that area. Last July, the Commission endorsed the Maritime Industrial Study. Most recently the draft stormwater management plan was received by staff and is being reviewed with the community. There is enough information to sit down with the community, with SWAC, with the PAC and various tenants to develop a plan for the backlands area. At the next briefing, staff will have a schedule and a process for that plan. At the end of which, staff hopes to issue RFPs for development on the backlands area.

Commissioner McCarthy was pleased with BCDC's recommendation regarding the open space. Mr. Rhett mentioned that some of the BCDC Commissioners were sensitive to the issues raised and directed their staff to work with Port staff. The collaboration by both staffs was productive and everyone was pleased with the outcome.

7. NEW BUSINESS/PUBLIC COMMENT

Neil Malloch, Maritime Museum volunteer, showed the Commission a historical photograph of Pier 31, 33 and 35 taken from Telegraph Hill. It was a picture of the original Queen Elizabeth on its one and only arrival in San Francisco and in the West Coast. Retrieved from the old wharfinger records was the actual record of the ship's arrival, 10 a.m., March 13, 1942 and departed at 2 p.m. on March 19, 1942. The wharfinger's official report documented the event in writing. There were no reports on the newspaper of the ship movements because of the war. The woman took the picture from inside a house and he pointed out the special features of the photograph. He would like to present the picture to the Commission at an appropriate time along with the document and suggested that the picture be placed at Pier 35 or some appropriate location. The picture depicts an important part of the Port's history. March 19th marks its 60th anniversary. He suggested having a small ceremony on the 19th and a press release of the event.

Commissioner Hardeman suggested that Mr. Malloch meet with Mr. Wong or his designated staff to work out the details of his proposal.

Anne Halsted, Northeast Waterfront Advisory Group & SPUR, indicated that as a BCDC Commissioner who fully supported shifting the open space away from that area, she was pleased with the outcome that both staffs came up with. She and Supervisor Peskin pushed for that change and believed it was a better solution. As chair of the advisory group, she reiterated the letter she sent to the Commission regarding Piers 27-31. She encouraged the Commission, in their executive session deliberation, to stick to the conditions they laid out last April for this project, particularly the condition requiring that it would primarily be a recreational project. If the Port ends up with a project that was a compromise and did not

meet the terms intended, the public would be unhappy, it would not serve the City well and would not be a great legacy for the City. She pointed out that the other conditions are significant as well. In her limited experience, the Port Commissioners terminated a number of development proposals in the past because they were not going to materialize. In her experience, the longer it goes on, the worse it gets and the more expensive it gets. If the Commission thinks the proposal will not make it, it's better to cut it earlier than later. Putting it off until times change, in her mind, is not a good idea. She encouraged the Commission to use their best judgment and act in the interest of the future citizens of San Francisco.

Gerry Crowley, President of Telegraph Hill Dwellers, restated their concerns about the predominance of office and retail uses in the Pier 27-31 project, particularly as addressed in Port condition #10A, which requires a significant reduction in these uses to an ancillary or subordinate level. While the determination of significance is largely a subjective process, the primary mission of this project is to provide a recreational venue. They have reviewed the most recent proposal submitted by Mills Corporation and based on the data provided, they found that only 45% of the uses can be classified as recreational. The recreational uses are clearly subordinate to the ancillary uses. The omission of the square footage of parking use from the data submitted leaves the data seriously compromised. If parking is included as an ancillary use, as it properly should be, it would result in the reduction of the proportion of the project dedicated to recreational use to an even more subordinate and non-acceptable level. They strongly feel that it is paramount that this project be first and foremost and every respect a recreational venue for all San Franciscans. She asked the Commission not to accept the revised proposal as a satisfactory response to the Port's 13 conditions and requirements of this project.

Nan Roth, NEWAG, supported the comments of Anne Halsted and Gerry Crowley. She expressed her disappointment that there was no mention of the need for facilities for senior citizens in the 13 conditions laid out by the Commission. She pointed out that the project seems to be more youth oriented now than it was before. She hoped that in the Port's negotiations, they will keep in mind the needs of the senior citizens and the Commission will push for more facilities and activities for senior citizens. It has also come to their attention that the owners of the Golden Gateway complex are once again contemplating demolishing the Golden Gateway tennis club and swim facility and building condominiums on that site. If such a project would go forward, it would constitute a further reduction in the existing recreation facilities not only in San Francisco but in this neighborhood in particular. It would make it even more important to maximize the recreational opportunities at Pier 27-31.

Ernestine Weiss, Golden Gate Center, acquainted the Commission with the proposed plan to build a condominium contiguous to the parking facility on the Embarcadero. She explained to the owners of the center that the Ferry Building is the focal point of the whole roadway and the whole Bay Area. It should not be spoiled with another concrete building especially since she fought so hard to keep the open space on the park. It is important to retain the area as open space. She asked the Commission for their help as she will try to get a legislation to keep it open space.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 4:45 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 80, Pier 92, and Pier 94
Person Negotiating: Port: Mark Lozovoy, Deputy Director of Real Estate
*RMC Pacific Materials: Joe Sostaric
This item was taken off the calendar.

b. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

c. Property: Bryant Street Pier
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington
This item was taken off the calendar.

d. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

e. Property: The Embarcadero Hotel
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Stanford Hospitality, Inc: Antony Carter

f. Property: Pier 23
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Pier 23 Café: Flicka McGurrin

g. Property: Pier 45 Shed A
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Red & White Fleet: Tom Escher

h. Property: Pier 47
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Scoma's Restaurant: Tom Creedon

9. RECONVENE IN OPEN SESSION

At 7:45 p.m., the Commission withdrew from executive session and convened in open session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

10. ADJOURNMENT

The meeting was adjourned at 7:45 p.m.

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REGULAR MEETING
4:00 P.M., TUESDAY, MARCH 26, 2002
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

03-21-02A11:00 RCVD

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - March 12, 2002 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - Commendation for Karen V. Clopton
   - Fire at Haslett Warehouse at Fisherman's Wharf

4. **CONSENT**

   A. Request for authorization to apply for and expend grant funds from the California Integrated Waste Management Board Used Oil Opportunity Grant for used oil collection. (Resolution No. 02-08) (Staff report provided to the Commission.)

5. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

6. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT – This is specifically authorized under California Government Code Section 54957.

a. Confirmation of Appointment of the Port's Director of Administrative Services.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER (DISCUSSION ITEM):

a. Discuss existing litigation matter pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case).

- As Defendant: F. Alioto Company, Inc. et al. v. City and County of San Francisco, et al., San Francisco Superior Court Case No. 318360. Action filed January 25, 2001.

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

b. Property: Pier 9
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Studio Impact dba 300 Feet Out: Nina Dietzel

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations regarding property located at Pier 9.

c. Property: Roundhouse Building
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Roundhouse: Leon Sugarman

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations regarding the Roundhouse Building.

d. Property: Pier 45 Shed A
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Red & White Fleet: Tom Escher

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45 Shed A.

7. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

8. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

MARCH/APRIL 2002
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
March 26	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
April 9	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
April 23	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every other month on the second Wednesday at 11:30 a.m. in Bayside 1 @ Pier 1. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 02-08

WHEREAS, The people of the State of California have enacted the California Oil Recycling Enhancement Act that provides funds to cities and counties for establishing and maintaining local used oil collection programs that encourage recycling or appropriate disposal of used oil; and

WHEREAS, The California Integrated Waste Management Board has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by cities and counties under the program; now therefore, be it

RESOLVED, that the Port Commission hereby authorizes the submittal of an application to the California Integrated Waste Management Board for a Local Government Used Oil Opportunity Grant - Sixth Cycle, and authorizes the acceptance and expenditure of such funds as granted by the California Integrated Waste Management Board if the Port grant application is approved; and be it further

RESOLVED that the Executive Director, or his designee is hereby authorized and empowered to execute in the name of the Port of San Francisco all necessary applications, contracts, payment requests, agreements, and amendments hereto for the purposes of securing and expending the grant funds and to implement and carry out the purposes specified in the grant application.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of March 26, 2002.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

March 20, 2002

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to apply for and expend grant funds from the California Integrated Waste Management Board Used Oil Opportunity Grant for used oil collection.

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION APPROVE THE PROPOSED RESOLUTION.

The Port currently operates and maintains three used oil collection stations that recover 7000 gallons per year of used oil for recycling. Port staff proposes to apply to the California Integrated Waste Management Board Used Oil Opportunity Grant Program for funds to continue and expand the used oil collection program. The grant would provide $132,468.14 for used oil collection at the San Francisco Marina, Pier 39 Marina and the Treasure Island Marina. The grant would cover the Port's costs for installation, operation, and maintenance of the used oil collection sites and all related costs.

Staff requests authorization to apply for the Integrated Waste Management Board funds, and accept such funds if grant application is approved by the California Integrated Waste Management Board Used Oil Opportunity Grant Program.

Prepared by: Tim Gallagher
Environmental Health & Safety Section

This Print Covers Calendar Item No. 4A

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PORT COMMISSION

MARCH 26, 2002
MINUTES OF THE REGULAR MEETING

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MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. DENISE McCARTHY
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
MARCH 26, 2002

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 4:05 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Denise McCarthy, Brian McWilliams and Pius Lee.

2. APPROVAL OF MINUTES - March 12, 2002 Regular Meeting

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. The minutes of the March 12, 2002 regular meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report:

- Commendation for Karen V. Clopton: Commissioners Hardeman and Brandon presented Ms. Clopton a proclamation of appreciation. Ms. Clopton thanked Mr. Wong for the opportunity to work for the Port and for the Commission's support. Commissioner McCarthy thanked Ms. Clopton for the status reports but especially for the inter-disciplinary team efforts that were put in place. She was certain that it would continue in the next regime.

- Fire at Haslett Warehouse at Fisherman's Wharf: Mr. Wong reported that while the recent tragic fire at the historic Haslett Warehouse at the Cannery in Fisherman's Wharf caused major damage to the warehouse, the rest of the Cannery is open for business. The Cannery is not on Port property; however, it is a major anchor in the Fisherman's Wharf community. The fire has affected some Port tenants on Jefferson Street, directly across the street from the Cannery. The Fire Department, Police Department, Department of Parking & Traffic and Port staffs are working with the building owners to open the streets to pedestrians and vehicular traffic as soon as possible. Mr. Wong reiterated that the Cannery is open for business.

4. CONSENT

A. Request for authorization to apply for and expend grant funds from the California Integrated Waste Management Board Used Oil Opportunity Grant for used oil collection. (Resolution No. 02-08)

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 02-08 was adopted.

5. NEW BUSINESS/PUBLIC COMMENT

Dan Strazzullo, All Shores Seafood, indicated that he has attended several meetings regarding the proposed expansion of the fishing industry at Shed C. Port staff is proceeding with the plan but they are overlooking a major fact that has been brought to their attention i.e. truck parking at Shed C. The proposed plan does not address parking for trucks. He appreciates the fact that the Port is moving ahead with the expansion but he asked the Commission to talk to staff about the parking situation at Shed C.

Mr. Strazzullo submitted a letter to the Commission from Mr. Pete Pomilia, Vice President of the North Coast Fisheries. In his letter, Mr. Pomilia listed their concerns regarding the Pier 45 Shed C development.

Commissioner McWilliams' inquired if Mr. Strazullo was speaking for or against the issue of expanding fish processing at Pier 45. Mr. Strazullo replied that he was not against the expansion; he only wanted to make sure it works.

Anne Halsted, NEWAG, reiterated the comments she made at the last Commission meeting regarding the Pier 27-31 development. She urged the Commission to make a good deal for the citizens of San Francisco and not cave on the conditions. She asked them to do the best they can.

On behalf of the Telegraph Hill Dwellers, Nan Roth expressed their concerns that the Pier 27-31 project appears to be dominated by uses other than recreation. She referred to the report from the Bay Area Economics, the consultant who evaluated the proposals for Piers 27-31. In particular, their evaluation of the impact of the retail and office use on Port tenants. The retail component of the project would particularly be difficult on the Fisherman's Wharf tenants. She felt uncomfortable that the Port was entering into a deal that is financially dependent upon a revenue stream from such a huge amount of office space.

6. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner McWilliams moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 4:15 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) PUBLIC EMPLOYEE APPOINTMENT – This is specifically authorized under California Government Code Section 54957.

a. Confirmation of Appointment of the Port's Director of Administrative Services.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER (DISCUSSION ITEM):

a. Discuss existing litigation matter pursuant to subdivisions (a) and (d) of the California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case).

- As Defendant: F. Alioto Company, Inc. et al. v. City and County of San Francisco, et al., San Francisco Superior Court Case No. 318360. Action filed January 25, 2001.

(3) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative.*

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*The Mills Corporation: Steven J. Jacobsen

b. Property: Pier 9
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Studio Impact dba 300 Feet Out: Nina Dietzel
This item has been taken off the calendar.

c. Property: Roundhouse Building
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Roundhouse: Leon Sugarman

d. Property: Pier 45 Shed A
Person Negotiating: Port: Theresa Picon, Director of Real Estate
*Red & White Fleet: Tom Escher

7. RECONVENE IN OPEN SESSION

At 6 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Brandon moved approval to disclose information discussed in executive session regarding Item 6B(1). Commissioner Lee seconded the motion. All of the Commissioners were in favor.

Commissioner Brandon disclosed that the Commission voted unanimously to confirm the appointment of Joel Robinson as the Director of Administrative Services.

ACTION: Commissioner Brandon moved approval to not disclose any other information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

8. ADJOURNMENT

The meeting was adjourned at 6 p.m.